

HOUSE OF REPRESENTATIVES

TUESDAY, JULY 9, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Once more, our Heavenly Father, we are brought face to face with the duties of another day. Thou, who art the inspiration of the good, the beautiful, and the true, we thank Thee for the glory of life, for the power of choice, for the joy of serving, and for the courage of sacrifice. Be Thou the source of our longings, our hopes, and our aspirations. Kindle in all our hearts a sacred flame, which shall burn brighter and brighter as time comes and goes, and Thine shall be the glory forever. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

COMMITTEE ON PATENTS

Mr. STARNES. Mr. Speaker, I offer a privileged resolution (H. Res. 265) from the Committee on Accounts.

The Clerk read as follows:

House Resolution 265

Resolved, That the expenses of conducting the hearings authorized by House Resolution 196, incurred by the Committee on Patents, acting as a whole or by a subcommittee, not to exceed \$25,000, including expenditures for the employment of experts and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, or by any subcommittee thereof conducting such hearings, signed by the chairman of the committee and approved by the Committee on Accounts.

SEC. 2. That the official committee reporters shall serve said committee or subcommittee at its meetings in the District of Columbia.

Mr. SNELL. Now, Mr. Speaker, this is a pretty large appropriation, and I think the Chairman of the Committee on Patents should make some explanation.

The SPEAKER. There is a committee amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment: In line 4, strike out "\$25,000" and insert "\$15,000."

Mr. SNELL. Mr. Speaker, I think even now the Chairman of the Committee on Patents, Dr. SIROVICH, should make a little explanation about that. That is a pretty large appropriation.

Mr. STARNES. Mr. Speaker, I yield to the Chairman of the Committee on Patents [Mr. SIROVICH] 5 minutes.

Mr. SIROVICH. Mr. Speaker, among the brilliant, eminent, and distinguished men who were delegates to the Constitutional Convention in 1787 that wrote the Constitution of the United States was the great scholar, philosopher, and sage, Benjamin Franklin. Being an author, scientist, and inventor, Benjamin Franklin was responsible for writing into the Constitution article I, section 8, paragraph 8, which states:

Congress shall have the power to promote the useful arts and sciences by securing to every author and to every inventor for a limited number of years the exclusive right to his writings and to his discoveries.

That philosophic sentiment was the practical and concrete contribution of Benjamin Franklin on the altar of materialism to aid those who dedicate their lives to science, literature, and art.

The first three Commissioners to look after patents when our Government was founded were George Washington, President; Thomas Jefferson, Secretary of State; and Edmund Randolph, Attorney General of the United States.

From 1789 to 1935 2,000,000 patents have been issued by the Patent Office of our country.

Mr. SNELL. We appreciate all that. Let us get right down to the facts before us and what is necessary to be done that requires the expenditure of \$15,000. Every man here knows all about the constitutional provision.

Mr. SIROVICH. I thought these facts I have enumerated would be pertinent and illuminating to the Members of Congress. However, I shall come to the point.

For the past 5 years, since I have been Chairman of the Committee on Patents, our committee has had innumerable complaints from business, commercial, and industrial enterprises, protesting against many iniquitous abuses that permeate the field of invention. In the vernacular of the street, many rackets have developed in the pooling of patents that have made it impossible for the inventor, the merchant, the manufacturer, and the industrialist to attend to his business and to take advantage of the opportunities that Congress intended when it granted a monopoly for 17 years for the issuing of a patent to promote the arts and sciences. To eliminate these tragic influences in patents, H. R. 4523 was introduced, which provides for the recording of patent-pooling agreements and contracts with the Commissioner of Patents. This bill further provides that every agreement by which rights in a plurality of patented inventions are rendered subject to common ownership, control, or enjoyment, whether by assignment, license, or otherwise, together with all agreements predicated thereon which affect the terms and conditions under which one or more of the said patented inventions may be manufactured, used, sold, leased, or licensed, shall be recorded in the Patent Office within 6 months from the date thereof.

This bill also provides if complaints against the pooling of patents are filed with the Commissioner of Patents, or if any of the agreements herein specified are against the public interest or the public welfare, or if in the judgment of the Commissioner of Patents such agreements are against the public interest or the public welfare, or at the request of the Chairman or a member of the Federal Trade Commission, the Commissioner of Patents shall file a certified copy of such agreement or agreements or notice of failure to file such agreement or agreements with the Federal Trade Commission for such action as the Federal Trade Commission may deem necessary to protect the public interest and the public welfare and prevent unwarranted monopoly.

Mr. Speaker, the Committee on Patents has unanimously voted to investigate the serious charges that have been made against many people in different lines of endeavor that have exploited business and industry for their own selfish advantage and to the detriment of the consuming public.

The House passed a resolution permitting the Committee on Patents to subpoena witnesses in order to seek information that might help us report out a bill that would bring justice to the great commercial and industrial enterprises of our country as well as to the inventor and consuming public. These people have refused to come. The Committee on Accounts unanimously voted to appropriate the sum of \$15,000, which would help the Committee on Patents as a whole, or through a subcommittee, to investigate this matter and bring forth a measure that would be instrumental in eliminating and abolishing these rackets and abuses that come from the pooling of patents or the cross licensing of patents.

It might interest the Membership of the House to state the purposes of this bill have the sympathetic and enthusiastic approval and commendation of the genial, gracious, and beloved Secretary of Commerce, Daniel Roper.

Mr. SNELL. Now, if you already know what the conditions are, why can you not bring in the legislation without an investigation?

Mr. SIROVICH. Should we enact the present bill before our committee with the serious charges that have been made against various individuals, it might be instrumental in bringing forth an obnoxious measure that might inadvertently and unconsciously harm many business interests and inventors.

The committee, after considering all these factors, unanimously decided—Democrats, Republicans, and Farm-Laborites—that it would be far better to ascertain what the great industrial, commercial, and manufacturing enterprises throughout the country have to contend with, to listen to

their complaints, and to bring in a bill that would be designed once and for all to abolish these nefarious practices that have exploited our productive enterprises, harmed the creative talent of our country, such as our inventors, and enriched a group of racketeers that have been thriving as leeches upon industry throughout the Nation.

Mr. SNELL. Of course, we are getting so many of these investigating committees going this summer that we may have to get some new Members of Congress, as there will not be enough to serve on them.

Mr. STARNES. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question recurs upon the adoption of the resolution as amended.

The resolution as amended was agreed to.

A motion to reconsider was laid on the table.

PRIVATE PROFIT OR PUBLIC SERVICE, WHICH?—THE HOLDING COMPANIES AND PUBLIC OWNERSHIP

Mr. COLDEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. COLDEN. Mr. Speaker, the Wheeler-Rayburn bill for the regulation of holding companies and the elimination of the useless and vicious corporations has provoked a bitter controversy. During my presence in Congress I have not noted such a tense feeling, such keen debate, and such a sharp struggle as we have witnessed the past few days. The very atmosphere of the House indicates an issue of utmost importance. Not only is the issue of unusual significance but the fact that President Roosevelt himself has championed the passage of this bill adds to the tenseness of the situation. Probably in no congressional contest of the Nation has the issue been so clearly cut as between the power of corporate wealth, as against the economic welfare of the common people, as in this instance. On one side are the billions of organized and ruthless wealth arrayed against the millions of investors who have purchased unsound securities, and the millions of consumers, who are the victims of a "plunderbund" not equalled in American annals.

ARTFUL LOBBYISTS AND THE "DEATH SENTENCE"

The holding companies have been supported by a super-lobby, such as Washington has rarely witnessed. Those who have profited by these great holding companies have flocked to Washington by the hundreds. The crafty holding companies have chosen as their representatives shrewd and able attorneys and clever politicians. Every trick of statecraft, every art of propaganda, every power that can influence has been exerted to aid in the tremendous struggle against the President and his program. Catch words and catch phrases have been used in this bitter campaign. The phrase "death sentence" has been injected into the campaign and has been bandied about by the newspapers and has echoed and re-echoed on the floor, in the committee rooms, and the corridors. The "death sentence" is a phrase of deception in that it conveys the inference that the President's program has for its purpose death and destruction.

A DUST STORM OF DECEIT

The opposition to the administration has hurled ugly and sizzling words at the President for lobbying. The holding companies turned a word of reproach against the President's program. "Lobby", "lobbying", and "lobbyists", used in reproach, are words applied to those who seek their goals by insidious routes and invidious methods. Because a few administration officials were delegated to draw the first draft of the holding-company bill and were consulted by some of the Members of Congress, and, in some instances, upon the request of those studying the problem, the President and his advisers are dragged down into the gutter of cheap politics. This illustrates the desperate straits of the Power Trust and the power of propaganda that spreads like a dust storm and obscures the real objects in the picture.

PHILANDERERS WHO PROSTITUTE PUBLIC HONOR

One of the high-powered artists of a gang of "brain stormers", who would defeat the President in his fight for decent business, decent operation of utilities, and decent treatment of the investors and consumers of power and light, has the brazen effrontery to viciously attack the President in order to throw a smoke screen over the activities of one of the most nefarious lobbies that has ever infected and contaminated the corridors of the Capitol. This high mogul of insidious propaganda would have the public believe that the President has sent his "minions who buttonhole Congressmen and with threats and promises seek to induce them to vote for the 'death sentence.'" This prostitute of public honor, this parasite of privilege, this puppet of insidious power, has the unadulterated audacity to use such phrases as "Would-be Caesar in the White House" and "We thank God for those brave Democrats of the House who have dared * * * to defy the unjust and autocratic usurpation of the President." Such are the intemperate and vicious screeds uttered by the puppets of the Power Trust to defame the leader in the White House, who has the courage and the patriotism to throttle the glorified thieves, the pampered pirates, the gilt-edged buccaneers who have roamed the highways and byways, and, worse than freebooters of old, have not spared the aged, the widow, nor the orphan. These are the wolves in sheep's clothing that cry, "Caesar, Caesar", and in pious accents "thank God" and pray from the housetops in dulcet tones for "the widow and the orphan" and then cash their pay checks from the polluted profits of the Power Trust. These insidious puppets defend their masters who not only swindled the investors but who robbed the consumer and then increased their own unearned and extortionate salaries in the face of homeless men, penniless women, and unprotected orphans. Now when justice is on the trail of these hypocrites, these fatted and pampered philanderers who prostitute public honor, they cry, "Wolf, wolf", "Caesar, Caesar", at those whom they would destroy.

THE REAL PURPOSE IS TO PROTECT

My own observation is that the Members of the House and of the Senate, who are honestly supporting the President's program, desire to preserve every sound investment made by the people of this country in good faith. The real purpose of those backing the administration bill is to prevent predatory wealth from robbing investors of savings with one hand and robbing the consumers of the public-utility companies with the other.

It is possible that a holding company by the purchase of several contiguous companies may be able to consolidate the management and the organization and economize in the operation in such a way as to secure the investor and to protect the consumer. The Wheeler-Rayburn bill protects these legitimate objectives. On the contrary, we have few holding companies of this character, but many gigantic corporations sprawling over the country that have pursued a course of reckless profiteering, criminal manipulation, and brought disaster to the investor and to the consumer.

CHAIRMAN RAYBURN SUBMITS EVIDENCE

Permit me to refer to some of the facts and figures submitted by the Honorable SAM RAYBURN, Chairman of the Committee on Interstate and Foreign Commerce, in his opening address in the discussion of this bill. One of the abuses of the holding-company system is the writing up of the capitalization of the operating company and putting these bookkeeping and racketeering profits in their own pockets. An example is given of an electric power and light corporation organized in 1925 as a subsidiary of the Electric Bond & Share group, which acquired operating companies in Louisiana, Arkansas, and Mississippi for more than \$70,000,000.

These properties were listed by the former companies at about \$42,000,000, and in this write-up the holding-company racketeers made a profit of about \$28,000,000. These profits were realized by selling these blue-sky bonds and stocks to widows and orphans, teachers, preachers, doctors, and mechanics, in whom they now express such a deep and

profound interest. The Appalachian Power Co. made a profit of over \$66,000,000 in a single write-up. A Minnesota corporation wrote up its purchase with a profit of over \$21,000,000, or 126 percent. Down in Florida, by the same procedure, a holding company manipulated a write-up of over \$30,000,000 profit, or 103 percent.

Down in Texas, the Electric Bond & Share Co. purchased the electric and gas plants in several of the small and prosperous cities of Texas, and capitalized these companies at an excess of over \$8,000,000, or a profit of 400 percent.

HERE'S THE WAY YOUR MONEY GOES

The Cities Service Power & Light Co. is another one of the great corporations guilty of this greedy practice. In one transaction it increased the capitalization of its operating companies more than \$6,000,000, or 165 percent profit. The Associated Gas & Electric System is guilty of write-ups of \$115,000,000, a clear paper profit, but which was a tremendously added burden to the operating companies, added costs to the consumer, and blue sky or polluted water for the investors.

In these write-ups the custom was to organize a new holding company, take over the former companies by issuing securities, and then unload the enormous profits on the innocent public. This was carried on to an unbelievable extent, in one instance with nine holding companies based upon the operating companies at the bottom of this air-castle structure. In this case, Mr. RAYBURN points out, \$1 at the top enables the managers to control over \$30,000 of book value of the operating companies, or with less than \$50,000 control over a billion dollars of book value. In another set-up by an investment of about \$23,000 at the top of the pyramid \$1,200,000,000 was controlled at the bottom.

GREEDY MIDAS AND CAPTAIN KIDD

In all the history of brigands, buccaneers, and pirates, no examples of plundering depredation can equal these methods of wringing from the investors and consumers profits beyond the dreams of Midas plus the greedy gains of the followers of the Golden Calf throughout all previous ages. Captain Kidd, the terrible pirate, in all his bloody glory took his life in his hands when he robbed his fellow men and gave his victims at least a chance to battle for their possessions; but under our system of the modern holding company, the buccaneer sits in his luxurious office and, by insidious methods, advertisements, and slick salesmen, unloads his worthless watered stocks on an innocent public and rakes in millions and billions of unearned increment and tainted wealth without risking a spot of his hide or a single hair of his rapacious and avaricious head.

OTHER METHODS OF MILKING THE PUBLIC

And this is but one of the abuses of the holding company. In addition to wringing these racketeering profits from the savings of the public, the holding companies have organized legal departments by which the local operating company must pay extortionate and unearned fees for legal advice, must purchase their supplies from agencies of the holding company without competition and at prices that afford enormous profits to the holding-company agents, a part of the system.

Another favorite blood-sucking practice is to loan money to the operating companies at a rate of interest above the current rate and thereby increase the profits of the holding company. Mr. RAYBURN gives example of the subsidiaries of the Associated Gas & Electric Co., which turned all of their money into the holding company and could not draw it out unless the holding company countersigned the checks. The subsidiaries and operating companies were then charged interest at the rate of 8 percent per annum, compounded monthly, on such advances as were made by the holding company to the operating companies.

A HOUSE OF CARDS MUST FALL

It is very evident that the holding companies, by such outrageous methods, must in course of time fall from their own rottenness, and the investors suffer accordingly. That time came in the debacle of 1929. That crash of superficial and

artificial prosperity squeezed the water out of these super-structures sprawled all over the Nation, and their slime and naked assets stood out like the grim trunks of a colorful tree after a battle of the World War. American Gas & Electric Co. stock dropped from \$203.90 per share to \$3.75; American Power & Light Co. from \$171.50 per share to 75 cents; American Water Works & Electrical Co. from \$186.25 to \$1.35; Columbia Gas & Electric Corporation from \$129 to \$4.35; Commonwealth & Southern from \$30.15 to 50 cents; Electric Bond & Share Co. from \$177.50 to \$4.10 per share; Middlewest Utilities Co. from \$49.90 to nothing. These are only a few quotations from the table submitted by Mr. RAYBURN, in the CONGRESSIONAL RECORD, on page 10320, June 27, 1935. This table shows the ruin from the house of hot air and subterfuge and misrepresentation that the holding companies brought down with themselves. It should be noted that any operating company in any substantial city in the land that was operated upon a business basis, free from the tangled web of holding-company control, was able to sustain the crisis and protect its investors to a much better advantage. It should also be emphasized that all investments in Government and publicly owned enterprises in the utility field did not lose a penny or lose a dividend.

STRIPPING THE OPERATING COMPANIES

Another method of milking the operating companies was a device of organizing construction companies by which the operating company was compelled to pay a profit to the overhead organization. The holding companies also in some instances charged the cost of holding company management to the operating companies. Another favored process was to organize equipment and appliance sales as a part of the holding-company operation, and thus deprive the local operating company of the sales and profits of gas stoves, equipment, and all kinds and sorts of electrical appliances. Thus the local operating companies were stripped and deprived of a rightful field of activity and a source of profit in order to further fill the overflowing pockets of the holding company.

DEFY LAW AND BEAT TAXES

Not only have the super holding companies milked the local and operative companies in devious and various manner, but they have also defied supervision and control by the city, the county, or the State in which they operate. Some holding companies have also used a system of consolidated income-tax returns and thereby cheated the Government of large amounts of income taxes. According to Mr. RAYBURN, one holding company collected \$514,000 income tax from the subsidiary companies and pocketed the full amount, thus cheating the Government of a rightful and legal income.

Mr. RAYBURN further states that in 1927 the Electric Bond & Share Co. assessed its operating companies over \$9,000,000 for supervision and for performing services. The total expense incurred by the Electric Bond & Share Co. in rendering these services was something over \$4,000,000, thereby giving a profit to the Electric Bond & Share Co. of nearly \$5,000,000, or a rate of profit of 113 percent. In 1931 this same company received over \$11,000,000 for management services to its subsidiary operating companies and made a profit of 103 percent.

HOLDING COMPANIES MUST BE CURBED

In reviewing this sordid and greedy story of manipulation, profiteering, and racketeering, I can find little evidence in behalf of the argument for the continuance of holding companies. The numerous examples of their preying upon the public causes one to pause and wonder why such invisible sprawling predatory interests are permitted to exist. The holding-company system is the fruit of rugged individualism and that school of philosophy that preaches the doctrine of the privileged few and disregards the economic rights of the many. If life, liberty, and the pursuit of happiness is to be recognized as a fundamental doctrine in our governmental policies, it seems absolutely necessary to curtail such predatory practices and at once restore protection and security to the people who produce its wealth, who maintain its integrity, and who offer their life and limb in case of war or necessity.

It seems necessary not only to curtail such ruthless corporation but there should be regulation devised by which all corporations doing an interstate business should be licensed by the Federal Government and be compelled to divest themselves of the unfair and swindling practices that have been in vogue the past few years.

INSIDIOUS PROPAGANDA

It is high time the average citizen be made aware of the insidious holding corporations that are preying and feasting upon his savings and his earnings. The propaganda of the great holding companies has been used to poison the newspapers, magazines, colleges, and schools throughout the country. One story is current on the floor of the House that a professor who was receiving a salary of \$5,000 per year from the educational institution with which he was identified was receiving \$10,000 from the Power Trust in order that he might poison the minds of the young men and women of the institution as well as in other contacts with the public. Examples were cited on the floor of the change in the language of school books at the dictation of the Power Trust. Even pastors have been dominated in their pulpits, club speakers have poured out the poison in numerous clubs, and the same propaganda has been poured out from the platform. Candidates have been financed for public office, city councils have been corrupted, judges and governors have bowed their knees to this tremendous and baneful influence. The pastor and the publicist who has the courage to face these ruthless practices deserves the commendation of his fellowmen regardless of party and creed.

THE CRY AGAINST PUBLIC OWNERSHIP

Numerous opponents of the holding-company bill have thrown up their hands in false alarm and shouted that the bill for the control and elimination of holding companies was a step toward public ownership. The cry has been raised that public ownership is a bugaboo, some ghoul of the night whose mission was to devour and destroy. My own conclusion, from what I have witnessed in the struggle on the floor of the House, is that this discussion will have more weight in educating the public to the necessity of public ownership than it will be effective in the control of holding companies. I believe that the average citizen in reading this alarming story of the reign of predatory buccaneering will be forced to the conclusion that the most reasonable way out of the situation is for each city and community to own and to operate its own utilities.

I was very much interested in the statement of Representative Focht, of Pennsylvania, who referred to Mifflinburg, in his district, in which he pointed out that this little city, which owns its water and light plants, paid the entire city taxes from this source of revenue. While I do not believe that the users of water, light, and power should be burdened with the load of taxes of a community, I do believe that this and other examples of a similar kind point out the huge profits that are wrung from nearly every community served by private companies. These examples will prompt these communities to free themselves from the extortionate profits of the private utilities.

A SOURCE OF CITY CORRUPTION

Much of the sordid and scurvy municipal corruption of our cities is based upon the purchase and intimidation of city officials in the ruthless methods used by private utility companies to secure franchises.

Why should there be such a beating of drums and the raising of black flags against public ownership? Why these vicious thrusts at the T. V. A. and the efforts of the administration to free the public from economic bondage? Why should not communities own the water and the light and the power and the gas and the transportation and even the telephones, all of which are so necessary to human activity and comfort. Why should not each community own these utilities and operate them for use and for service and not for profit? The first purpose in the public ownership of utilities is to give the public service, but the first purpose of every private utility is merely profit. Numerous examples can be found of unfit water and inadequate service rendered to cities, because of the greed of the utility operators and

owners. Municipal ownership first became generally recognized in the effort of cities to own their water supplies in order to obtain better water, better service, and at a cost within the reach of the poorest consumer.

PUBLIC OWNERSHIP IN LOS ANGELES

In referring to public ownership, I desire to call the attention of the municipal ownership program of the city of Los Angeles. It is a romantic story. In the early days of Los Angeles, beginning in 1781, the water supply came from the small stream known as the "Los Angeles River." An Indian woman with an earthen jar balanced upon her head constituted the primitive system of water distribution. In later years the water cart, with a single barrel, succeeded the earthen jar. Then came the water ditch under community ownership, and in 1865 the town council leased the stream to a private operator. In 1898, when the city tried to regain its water system, it was forced to purchase the distributing lines and equipment at a cost of \$2,000,000. The first result of the restoration of municipal ownership was a 63-percent reduction in domestic rates. The city was growing at a rapid rate, and the Los Angeles River was estimated under normal conditions of supplying the needs of 250,000 people.

BRINGING WATER 250 MILES

The pioneers of modern Los Angeles, with a marvelous vision, developed a program to bring water from 250 miles northward from the Owens River Valley, across rugged mountains and the burning sands of the Mojave Desert. The result was that the city undertook to build an aqueduct 250 miles in length, at a cost of \$25,000,000. These bonds were voted by the bungalow owners of the city of Los Angeles. The scheme was considered visionary by the financiers of that day, but it was a dream that came true, and Los Angeles was supplied with pure water from the mountain tops sufficient to supply the needs of 2,000,000 people. Necessity forced the program of municipal ownership, which has proved such a boon to the people of Los Angeles, who now enjoy a bountiful supply of mountain water at a cost of 13 cents per 100 cubic feet, as compared to an average of 18 cents charged in 183 of the largest cities of the United States. Because of this low rate the average consumption of water in Los Angeles is 130 gallons per day per person, and because of the large area of the city, approximately 450 square miles, the cost of distribution is much higher than the cost in other cities. Municipal ownership has not only assured Los Angeles a bountiful supply of mountain water, so necessary to the health of a great city, but it has furnished it at a minimum cost to the consumer. So sincere is the faith of the bungalow owners of Los Angeles that projects are already well under way to bring power and water from Boulder Dam to provide for a population of millions more.

PAYING ITS WAY

The municipal water bureau of Los Angeles now has assets approximating \$150,000,000, with bonds outstanding of about seventy-one millions, leaving an equity built up from earnings of nearly seventy-nine millions. The gross income exceeds nine million annually, and the net income for the year ending June 30, 1933, was in excess of \$1,000,000, and for 1934 over \$1,335,000.

POWER AND LIGHT IN LOS ANGELES

Since the source of the Owens River aqueduct has a drop of about 3,000 feet before it is distributed in the city of Los Angeles, the cheap production of electricity, or white coal, was early contemplated by the pioneers who built the aqueduct.

The result of the municipal ownership of power and light in Los Angeles has been as marvelous in its operation and its results as was the building of the aqueduct itself. At the present time the municipal bureau of power and light of Los Angeles has assets of approximately \$96,000,000. The outstanding bonds are approximately \$38,000,000, leaving net assets of more than \$50,000,000 built out of the earnings of municipal ownership of power and light.

REDUCED THE COST AND MADE MONEY

The municipal department of light and power in Los Angeles began operations in 1916. In a period of 16 years

the consumption of light and power has increased eight times greater than in the beginning. Its revenues have grown from less than \$1,000,000 annually to more than \$15,000,000. Out of the accumulated profits nearly \$44,000,000 have been invested in improvements and expansion. In addition the city power and light bureau has repeatedly reduced the price of light and power to the consumer and has forced competing companies to do likewise, and has saved the consumers \$70,000,000 since it began operation.

PROTECT THE INVESTOR

In contrast to the investors in the holding companies in private utilities, who have lost billions of dollars, the investors in the bonds of the municipal light and power plant of Los Angeles hold securities that have not depreciated; that are worth dollar for dollar in spite of the depression, and the owners have never missed a dividend from these investments. In addition to the protection to the investor with the soundest of investments and the saving to the consumer, the municipal light and power plant of Los Angeles has not discharged an employee nor cut wages because of these years of travail and despair.

FOUGHT BY RIVAL UTILITIES

The development of this municipal program at Los Angeles, particularly of light and power, has been a battle from the beginning to the end. Private utility companies have maintained lobbies, not only in Los Angeles city hall but in the State legislature at Sacramento, for the purpose of handicapping and hamstringing the city-owned utility at every opportunity. If I recall the figures correctly, the testimony was taken before the State Railway Commission of California that showed that opposing companies in Los Angeles had spent over \$160,000 for the purpose of defeating a single city bond issue for expanding and improving the city plant. Paid propaganda is poured out through the newspapers, chamber of commerce officials are said to be frequently subsidized, and fluent orators speak deceptive phrases from the platform. So complete is the system that beautifully gowned and clever women flit from club to club and from tea to tea to spread the subtle doctrines of the power "plunderbund." Every city election has been a struggle between the private power interests and the city bureau, and in many city elections the private power interests employ hundreds of precinct workers, who carry on insidious campaigns, trailing up and down the sidewalks, pushing the bells of every door, in order to inveigle the unwary voter to cast his ballot against his own investment in the city power plant in order that the private companies may restore their stranglehold on the throat of the consumer.

CONTRIBUTION TO CITY BUDGET

Time and again the statement has been hurled across the floor of the House that publicly owned utilities pay no taxes. I wish to call this fact to the attention of my colleagues. According to the official bulletin of department of water and power of Los Angeles in the first 7 months of the fiscal year, beginning July 1, 1934, \$1,519,967 has been turned over to Los Angeles and its citizens through voluntary action of the municipal department of water and power. Of these funds, \$90,000 were turned over to aid unemployed women in Los Angeles. Free electricity and water for city services, such as street lighting and fire protection, amounted to \$900,000. For the food fund, Parent-Teachers Association, \$32,500. For the payment of bonds of the city, \$406,467.44. For the community chest, \$50,000. For direct relief, \$41,000. In face of the distress of the city of Los Angeles financially, the publicly owned water and power plant of the city has been a great contributor, far in excess of the amounts that might be collected from taxation. For the present fiscal year the department of water and power has allocated to the city for the dual purpose of aiding in balancing the budget and to relieve the taxpayer the sum of \$2,559,945. Will some of my colleagues, who have been defending the holding companies and decrying public ownership, point out a few examples of benevolence on the part of these far-flung empires of ex-

ploitation that will compare with the patriotic acts of the department of water and power in the city of Los Angeles?

WHY FACTORIES COME TO LOS ANGELES

One of the greatest benefits from this public ownership policy in the city of Los Angeles is that our factories enjoy one of the lowest power rates of any of the industrial centers in the Nation. It has been a powerful magnet in drawing light manufacturing from all parts of the country and has made one of the greatest contributions to the growth of southern California.

At the installation of the city power plant, Los Angeles produced \$167,000,000 from its factories and industries, but due largely to cheap power, the output is now estimated at one and one-quarter billion dollars per annum. As compared with other cities, the rate for light and power in Los Angeles presents an interesting study. It also illustrates the cheaper rates of a publicly owned utility. These figures are taken from the Federal Power Commission rate survey with rates in effect January 1, 1935.

	For 15 kilowatt- hours	For 100 kilowatt- hours	For 250 kilowatt- hours
Los Angeles, Calif.....	\$0.72	\$3.31	\$8.31
Kansas City, Mo.....	.98	4.00	7.75
Detroit, Mich.....	1.03	3.53	6.90
Chicago, Ill.....	1.03	3.75	8.02
Philadelphia, Pa.....	1.03	4.45	8.70
Pittsburgh, Pa.....	1.05	4.10	8.60
Boston, Mass.....	1.05	5.20	9.70
San Diego, Calif.....	1.07	4.59	7.88
Oakland, Calif.....	1.08	4.20	7.85
San Francisco, Calif.....	1.08	4.20	7.85
St. Paul, Minn.....	1.25	4.00	7.15
New York City, N. Y.....	1.30	5.55	13.05
New Orleans, La.....	1.38	6.00	10.75
Miami, Fla.....	1.71	6.25	10.40

So successful has been public ownership in the city of Los Angeles that the city has developed one of the greatest harbors of the world at an expense of an investment of \$30,000,000 and which makes a saving of more than \$100,000,000 dollars in transportation rates to the city of Los Angeles and the Southwest.

PUBLIC OWNERSHIP THE REMEDY

The experience of my own city of Los Angeles in the public ownership of water, light, and power, and the harbor convinces me that public ownership is the most rational way out of this web of intrigue and greed that has been woven by the strangling superstructure of holding companies. Light and power are absolutely essential to our modern civilization. Why should any such powerful agency, that means so much for the health, comfort, and progress of our civilization, be used as an instrument to profit the few? Why should not this power be dedicated to all for use and service? It is not only essential to city life but it is a friend of the farmer. Its social significance is one of the great factors in our modern life. Thousands of tired farmers' wives and weary farmers have fled from the drudgery of the farm to enjoy the comforts of city life, in which power and light form a major part. When we consider that electricity not only lights our homes and streets but turns the wheels of our factories, is essential to the automobile, the street car, the airplane, the radio, the telephone, the telegraph, and other ways too numerous to mention, we realize its necessity to all.

BENEFITS OF RURAL ELECTRIFICATION

One of the greatest needs of this Nation is to promote and to establish rural electrification. Think of the tremendous value of light and power to the farm. It affords a simple method of pumping water, sawing wood, shelling corn, grinding feed, turning grindstones, and other chores. It abolishes the broom, the washboard, the hot stove, the hot irons, the source of the drudgery, and the aches that pain the backs of man, woman, boy, and beast. The additional comforts of the fan and its cooling breeze, the ice and

the icebox contribute much to the comfort of life during the hot days on the farm.

Rural electrification means the return of thousands upon thousands from the congested centers of population and a rejuvenated life on the farm that will have a most wholesome effect upon the social structure of American life.

LET'S STAND BY THE PRESIDENT

In my humble opinion, President Roosevelt has never shown greater courage, a deeper friendship for all the people of this country, or a higher order of statesmanship, than in his program to rid this country of the great economic octopus that preys and fattens upon our citizens, that defies and corrupts our city, county, and State governments. As a Member of this Congress, I appreciate this great effort on the part of our President, who is making such a brave challenge to the privileged and unscrupulous few who suck the economic lifeblood of our people.

The battle promises to be long and furious. The enemy is powerful, alert, and insidious. We are engaged in one of the most decisive battles of the economic, social, and political world. We must win in order to free our people from economic servitude.

THE PUBLIC'S INTEREST IN THE BANKING ACT OF 1935

Mr. GOLDSBOROUGH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD to include a radio address made by me on Saturday night on the subject of the Public's Interest in the Banking Act of 1935.

The SPEAKER. Is there objection?

There was no objection.

Mr. GOLDSBOROUGH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address delivered by me over N. B. C., blue network, from Washington, D. C., July 6, 1935:

Ladies and gentlemen, I am asked to speak about the public's interest in the Banking Act of 1935. In the brief time at my disposal I will not attempt to do anything more than compare the draft as passed by the House with the draft as reported by the Senate Committee on Banking and Currency, adding very briefly a comment on an amendment offered to the House bill during its passage and which will be offered to the Senate bill when it reaches the floor next week.

I think I should say frankly that both the proposed Senate bill and the bill that passed the House are improvements in the public interest over the present law.

Both bills recognize to a certain extent that the currency of the country, that is, the people's medium of exchange, should not be controlled by the banking class; in other words, both bills recognize in part the fact that banking is a private operation, but that the management of the currency of the country is a public function.

Neither the Senate bill nor the House bill entirely divorces the currency from the banking system, but the House bill advances further in this direction than the Senate bill.

For example, the House bill gives to the Federal Reserve Board the right to raise and lower bank reserves. The Senate bill limits the right of the Federal Reserve Board to raise reserves by an average of only 10 percent.

The House bill places the control of rediscount rates in the hands of the Federal Reserve Board; the Senate bill allows the law to remain as it is. The Federal Reserve banks now have the sole power to initiate changes in rediscount rates, subject to confirmation by the Federal Reserve Board.

The House bill provides for an open-market committee consisting of members of the Federal Reserve Board as now constituted, that is, six appointive members and the Secretary of the Treasury and the Comptroller of the Currency as members ex officio. The Senate bill, which drops the Secretary of the Treasury and the Comptroller of the Currency from the Federal Reserve Board and increases the appointive members to seven, provides that the open market committee shall consist of the 7 members of the Federal Reserve Board and 5 governors of the Federal Reserve banks, who are to be annually elected by the 12 governors of the Federal Reserve banks.

The Senate bill requires two members of the Federal Reserve Board to be persons experienced in banking; therefore, the open-market committee under the Senate bill would be required by law to consist of at least 7 bankers out of the 12 members. As the open-market committee is charged with the obligation of regulating the supply of currency by the purchase and sale of Government bonds, it will be seen that the conception of the Senate bill is that the banking class, as a matter of legal right, should have a considerable voice in determining the amount of the people's medium of exchange, and that no other class has that legal right.

The provision of the Senate bill I have just discussed is a vivid commentary upon the conception of money with which the banking class has been able to permeate the public mind—the conception that there is a necessary relationship between banking and the currency of the people, and that the banking class, whose interest it is to make money as scarce as possible and as high as possible, should control its supply.

Under the Constitution of the United States the power is vested in the American Congress to coin money and to regulate its value. Money is anything which is used to make easy the exchange of commodities and services. The exchange of commodities and services is civilization; that is, money is civilization and civilization is money.

The Dark Ages, which succeeded the fall of the Roman Empire, were largely the result of lack of money; that is, lack of something which would serve as a means by which people could exchange the things they were able to produce. In those days almost the universal conception of money was a conception of gold and silver, and lack of gold and silver during these periods was, as I have said, largely the cause of the mental stagnation and the human misery of the Dark Ages.

A few years ago in a speech on the subject of money, Winston Churchill, former Chancellor of the British Exchequer, made the following significant and eloquent statement:

"It is said that we had forgotten grim laws of supply and demand, as if these laws were absolute, constant, limiting factors forever beyond the reach of human control. There is no limit to the power of mankind to meet that demand. For hundreds of years, in the Middle Ages, the laws of supply and demand were stationary. Everything worked, year after year, at a uniformly low level, and all the populations lived miserably. Then, on a sudden, wages began to rise, enterprise began to quicken, all kinds of new articles and utensils appeared in the cottages or dwellings of the working people. All kinds of new luxuries and comforts opened to the rich and the middle classes. The laws of supply and demand suddenly began to work on a much larger and expanding scale."

"What had happened? A few small ships had come back from across the Atlantic Ocean full of gold and silver, and a gradual, subtle process of inflation had set in. It could not have been the trade of the New World which had refreshed the Old. These poor little ships could only bring spoonfuls of merchandise, and every voyage took over half a year. What they brought was the precious metals which altered, in the sense of expanding, the standards of value throughout the world, and made in those generations expansions in the good living of the human race which have never since been lost."

When the banking bill was being considered in the House an amendment was offered containing a congressional mandate to the Federal Reserve Board to restore the price level as ascertained by the Department of Labor in the wholesale commodity markets for the period covering the years from 1921 to 1929, and afterward to maintain the purchasing power of the dollar substantially stable in relation to a suitable index of basic commodity prices. The amendment also provided for the Secretary of the Treasury to establish a free and open market in which gold and silver could be bought and sold, and that the Secretary, with the advice of the Federal Reserve Board, should determine the amounts and prices at which the Treasury would buy and sell gold and silver. This amendment failed to carry by a very few votes. It will be offered again on the floor of the Senate.

The effect of this amendment would be to reestablish a proper relationship between debtors and creditors to the advantage of each, debtors being able to pay their debts and creditors to receive what is due them. This amendment would reestablish and maintain a fair price for agricultural products, which in turn places buying power in the hands of farmers, which also in turn would start the wheels of industry and give work to our vast army of unemployed.

In 1926 there was a sharp lowering in wholesale prices of basic commodities. This was a notice to the monetary authorities that deflation was beginning. If the amendment, of which I have spoken, had been in the law at that time, the Federal Reserve Board would have been required to lower rediscount rates and to put money in circulation by buying Government bonds.

Fourteen months later the Federal Reserve System did lower rediscount rates and did proceed to buy Government bonds. At that time, however, deflation had proceeded to a point where agriculture and industry were both discouraged. In other words, action was delayed too long to prevent the depression which started in 1929 and from which our people have since suffered so terribly.

With the four levers of control—first, the change of rediscount rates; second, open-market operations; third, a change in the reserve requirements of banks; and fourth, an open market for gold—any tendency toward inflation can be checked immediately and without any serious difficulty.

These levers of control can also be made absolutely effective to prevent deflation provided they are used when the thoroughly understood symptoms of deflation first appear and before the public mind becomes panic-stricken.

I am suggesting that you immediately wire both of your United States Senators asking them to limit the open-market committee to the members of the Federal Reserve Board and not requiring as

matter of law for any banker to be named on the Federal Reserve Board, and also requesting them to vote for the amendment, which I have explained, and which is known as the Goldsborough amendment. Your telegram would read about as follows:

"Please support Goldsborough amendment banking bill. Restrict open-market committee to members of Federal Reserve Board."

You will, I know, understand that I have no feeling of opposition to bankers. I have been a bank director myself for more than 30 years. What I have in mind is a currency system in the interest of the 128,000,000 people in the United States, not controlled, dominated, or influenced by any class, and so managed that we can get our tremendous potential production to the people, and get rid forever of the conception of destroying hogs and plowing up our wheat and cotton, with half the people of the country living from hand to mouth.

The problem of production has been solved. The problem of distribution is the one which American statesmanship must solve if all our people are to prosper and if our democratic form of Government is to be saved.

REDRESS OF GRIEVANCES

Mr. DELGADO. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include a petition which I have just received.

The SPEAKER. Is there objection to the request of the Commissioner from the Philippine Islands?

There was no objection.

Mr. DELGADO. Mr. Speaker, I am in receipt of a petition from the Filipino Seamen's Association of America containing an exposition of a just grievance and an earnest prayer for the redress of the same. As said petition is addressed primarily to the United States Government, I have thought of bringing it to the attention of Congress which, I sincerely trust, will be willing to examine the grievance carefully with a view to proposing adequate remedy.

Therefore, Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following petition:

THE FILIPINO SEAMEN'S UNION OF AMERICA,
San Francisco, Calif., June 21, 1935.

RESOLUTIONS PETITIONING FOR REDRESS OF GRIEVANCES, PASSED AND ADOPTED AT A GENERAL MASS MEETING OF DISCHARGED FILIPINO SAILORS AND SEAMEN WHO WERE FORCED OUT OF THEIR EMPLOYMENT IN THE UNITED STATES MERCHANT MARINE VESSELS WITHOUT SUFFICIENT CAUSE BY ALLEGED AUTHORIZED DELEGATES FROM THE INTERNATIONAL SEAMEN'S UNION, AN AFFILIATE OF THE AMERICAN FEDERATION OF LABOR—THE MEETING WAS HELD UNDER THE AUSPICES OF THE FILIPINO SEAMEN'S UNION OF AMERICA, WITH HEADQUARTERS IN THE PORT OF SAN FRANCISCO, STATE OF CALIFORNIA

Whereas the recent wholesale discharge of qualified, union-affiliated Filipino sailors and seamen, without apparent cause and sufficient justification, by alleged high representatives of the International Seamen's Union, an affiliate of the American Federation of Labor, and who for years and years have been in continuous service of United States merchant marine vessels plying in all seven seas of the world, came to the attention of the Filipino Seamen's Union of America, an organization operating within lawful means and composed wholly of bona fide Filipino sailors and seamen who owe allegiance to the sovereignty of the United States of America, and who have in their possessions first citizenship papers and other necessary credentials obtaining in their particular occupations as qualified sailors and seamen; and

Whereas said Filipino sailors and seamen removed and discharged without sufficient and just cause from their old employment in United States merchant-marine vessels by said discriminating high representatives of the International Seamen's Union (A. F. of L.), with their main office at the port of San Francisco, have for years and years rendered satisfactory service, efficiently discharging the duties called for in their particular occupations and faithfully upholding recognized standards and traditions of American organized labor, actively sustaining membership and paying required fees and dues to said International Seamen's Union of America; and

Whereas such unwarranted and discriminatory attitude on the part of said International Seamen's Union or of its authorized delegates in the wholesale and drastic removal of qualified Filipino sailors and seamen affiliated to the same International Seamen's Union local without even giving them an opportunity to be heard and explained of true causes, disregarding past satisfactory service, said International Seamen's Union, claiming and demanding of discharged Filipino sailors and seamen their full citizenship papers or proof of war service either in the United States Army or Navy as the latest new ruling and prerequisite to eligibility to obtaining jobs on merchant-marine vessels and union eligibility, is not only oppressive, unconstitutional, and prejudicial to the general welfare and interests of the people but also a gross and flagrant violation of the arbitration agreement entered into between the employers (shipowners) on the one hand and the said International Seamen's Unions, representing the employees (sailors and seamen)

on the other (arbitrators' award, secs. 43-44 and 49), effected and signed before the Board of Arbitration, April 10, 1935; and

Whereas such open and deliberate disregard of membership rights of said union-affiliated Filipino sailors and seamen forcibly removed and discharged from their old employment in United States merchant marine vessels, together with said violation of arbitrators' award and agreement of April 10, 1935, not only defeats the true purpose of unionism and the sound traditions of American organized labor, working in contravention with the constructive policies of recovery of the present administration, but also threatening families and dependents of discharged Filipino sailors and seamen with destitution and untold hardships as a result thereof;

Whereas a continuance of such oppressive and discriminatory wholesale lay-offs of unionized and qualified Filipino sailors and seamen will eventually result in the probable burdening of relief and charitable agencies by affected dependents of said Filipino sailors, victims of discrimination, thus retarding recovery and maliciously creating bitter racial hatreds, national discords, and retaliatory dissensions, needless suspicions and bitter antagonisms threatening industrial peace and the people's economic and social security, breeding distrust and destructive divisions and enmity among workers of various races, and defeating promulgated aims of fraternalism among seafaring men—all in all, a direct threat and menace against established order of society and people's goodwill; and

Whereas further toleration in prolonging such selfish, provocative, un-American and unconstitutional prerequisites or "new rules" laid down by misguided moguls of the International Seamen's Union of America in barring and discriminating against qualified, unionized Filipino sailors and seamen but not possessing of either Army or Navy and war service, and full citizenship papers from further exercising their right to earn a livelihood in the resumption of their services in United States merchant-marine vessels will mean a complete disregard of the effectiveness of our laws and of American institutions—a blot against American democratic principles and sound ideals—an open challenge to American sense of justice and fair play, hitting at the roots of sound democracy, shaking and relinquishing people's confidence and faith in orderly government without special privilege, ignoring the sound dictates and sovereignty of reason, and forming disastrous inequalities and destructive sectional and racial divisions; and

Whereas it has been and still is the firm belief of Filipinos in continental United States as well as those in the homeland (Philippine Archipelago), who owe implicit allegiance to the sovereignty of the United States of America; that by virtue of the still unsevered political ties and quondam friendly relations between the American and the Filipino peoples, and while the glorious stars and stripes are still waving freely in the Philippine skies, their full exercise of their unalienable rights to life and the pursuit of happiness as well as their coveted American protection of their constitutional guarantees—treating all men alike, shall never be impaired: Be it therefore

Resolved, That the United States Government, both National, local, and State, be duly petitioned through the foregoing resolutions for a thorough investigation of the abuses and unlawful practices as herein set forth and thereby cause to issue or enact a preventative measure or legislation in check of future repetition of such discriminations and abuses, with suitable penalties provided therein; and be it further

Resolved, That both the Government or its constituted authorities be further petitioned and requested to cause to issue an order for immediate abolition and stoppage of such discriminations against Filipinos in the service of United States merchant marine vessels and to extend to them ample protection, and to cause to issue another order for their immediate reinstatement and return to their previous employments without prejudice to anyone; and be it still further

Resolved, That the American Federation of Labor and its locals, through the joint cooperation of the employers (shipowners) and the labor arbitration board, be requested to recognize the establishment and creation of a separate and independent Filipino seamen's union, to be chartered by said American Federation of Labor, if so desired and deemed wise and convenient, and which will operate in full conformity with any existing seamen's union or workers' locals upholding American recognized standards and traditions of labor; and be it lastly

Resolved, That the local press and all known dailies and journals in sympathy with the cause of labor, including the Filipino Labor Journal, a semimonthly organ of Filipino labor in the United States, be forwarded copies of these resolutions; also, to high Government officials of the Nation, State, and municipality; to all known agencies of public welfare and charitable and civic bodies; to all the officials of the American Federation of Labor, National, State, and local units; to the Labor Arbitrations Board; to the Employers' or Shipowners' Association; to the government of the Philippine Islands and to the director of the Philippines Bureau of Labor; to California Representatives in Congress—Congresswoman Hon. FLORENCE P. KAHN and Representative McGRATH, of the House of Representatives; to several workers' locals in the city of San Francisco; to the seamen's union at Manila, known as "Samahang Magdaragat", and the Manila Stevedores' Union, also at Manila, P. I.; to several Filipino and American associations sympathetic to labor and to the Filipino race, with the idea of enabling them to offer certain effective remedy or solution to vital

problems confronting Filipino sailors and seamen and their dependents, as hereinabove stated.

In witness whereof, we have hereunto subscribed our names and caused our signatures this 21st day of June, 1935, in the port of San Francisco, State of California.

F. VERGEL DE DIOS,

Chairman Executive Council, F. S. U. of A.

Attest:

E. BALMES,

President Filipino Seamen's Union.

PHILIP PALMES,

Secretary F. S. U. A.

E. CRUZ,

Vice President and Member Executive Council.

JOE SEGURA,

Treasurer F. S. U. A.

R. MONAHAN,

Member Executive Council.

P. LAKSAMANA,

Assistant Treasurer, Member Executive Council.

JOE SEGURA,

Member Executive Council.

L. M. TULAO,

Member Resolutions Committee.

The names and signatures of seamen petitioners and members of the resolutions committee follow.

SIGNATURES TO PETITION AND MEMBERS OF THE RESOLUTIONS COMMITTEE

We, the undersigned, forcibly removed and discharged without cause, bona fide Filipino sailors and seamen, members of the F. S. U. A. and formerly in the active employ of United States merchant marine vessels, and at all times owing allegiance to the United States of America, do hereby petition the Government, its constituted authorities, and all concerned to give redress to grievances we have set forth in the foregoing resolutions herein contained:

Names	Length of service	Rating or occupation	Port of embarkation	Signatures
	Years			
1. Lucio Leyson.....	15	Steward's department.	San Francisco.....	
2. Frank B. Aguirre.....	16	Chief steward.....	do.....	
3. Pedro Palapoz.....	7	Sailor, A. B.....	do.....	
4. F. Monahan.....	7	Messman.....	do.....	
5. Harry A. Austria.....	5	Chief cook.....	do.....	
6. Silvino Daisug.....	10	Waiter, steward's department.	do.....	
7. F. Cabaltera.....	10	Cook, stewards department.	do.....	
8. Jose Ferrer.....	15	Chief cook.....	do.....	
9. R. M. Antiado.....	16	Steward.....	do.....	
10. A. G. Cruz.....	19	Steward's department.	do.....	
11. P. C. Remar.....	20	do.....	do.....	
12. Quintin Ele.....	8	Waiter, steward's department.	do.....	
13. L. Tielao.....	10	do.....	do.....	
14. S. B. Lopez.....	10	do.....	do.....	
15. R. Monahan.....	10	Chief steward.....	do.....	
16. V. E. Monte.....	8	Steward.....	do.....	
17. Ben Fajardo.....	8	Cook, steward's department.	do.....	
18. Pete Laksamana.....	20	Steward's department.	do.....	
19. A. C. Alemany.....	10	Steward's department, waiter.	do.....	
20. Ildefonso de Jesus.....	16	Steward's department.	do.....	
21. Philip Palmes.....	9	Waiter, steward's department.	do.....	
22. Eugene Balmes.....	14	Steward's department.	do.....	
23. E. B. Cruz.....	15	do.....	do.....	
24. Ted Casim.....	do.....	do.....	do.....	
25. Joseph Julian.....	10	do.....	do.....	
26. C. Leonardo.....	8	do.....	do.....	
27. B. Alayon.....	10	do.....	do.....	
28. Mariano O. Verde.....	5	do.....	do.....	
29. Leo Ronquillo.....	4	do.....	do.....	
30. D. G. Rendo.....	14	Messman, steward's department.	do.....	

NOTE.—Several other signatures to this petition and resolutions are on file with the Filipino Seamen's Union office, and cannot be possibly included herein on account of limited space.

P. PALMES, Secretary.

ADMINISTRATION OF THE IMMIGRATION AND DEPORTATION LAWS

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include a radio speech I made over station WJZ on July 5, 1935, dealing with the problem of immigration.

The SPEAKER. Is there objection?

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address which I delivered over the radio on July 5, 1935:

There is in this country today an antialien prejudice which affects, directly or indirectly, a third of our population, for one

person out of every three in this country is of foreign birth or foreign parentage.

We are fundamentally a fair, a just, and a tolerant people. There must, therefore, be a reason for this prejudice. That reason lies, I am convinced, in the efforts that have been made to paint the alien as a menace to our form of government, to our jobs, and to our standards of living. This could not be done without showing that there were aliens here in such numbers as to constitute a threat in these respects. This need for numbers to prove the existence of a serious alien problem has given rise to gross exaggerations as to the number of aliens in the country, and particularly as to the number of those that have entered illegally.

The figures so often cited are fantastic exaggerations. No scintilla of proof has ever or ever can be advanced in their support. They not only lack official corroboration but are in complete disregard of the figures of the Bureau of the Census and the Immigration Service and of the official statements of the Department of Labor in this and in the last administration.

There can be no pretence of infallibility in dealing with a subject such as the number of aliens illegally in a country. If they could be accurately counted they could be identified and deported. The following analysis is based on the figures of the Bureau of the Census and of the Immigration Service supplemented by a recent official check of alien seamen arrivals and departures at the port of New York. Such estimates as appear have been arrived at independently by at least two separate individuals or groups, including the Honorable W. N. Doak, Secretary of Labor in the last administration, the present Commissioner and Deputy Commissioner of Immigration and two groups of district directors of immigration. I say now to all of you, who may be within the range of my voice, that there is no such alien menace in America today and there probably never will be. I hold that the law-abiding alien in the United States should not be handicapped, in these distressing days, by threats of wholesale deportations and compulsory naturalizations. Such threats are, in my opinion, un-American in principle.

Now, as to the number of aliens in the United States, a responsible official of the Department of Labor just a few days ago told our House Committee on Immigration and Naturalization in an open public hearing that the total number of foreign-born persons in the United States who had not become naturalized citizens was not in excess of 4,922,000, and that the number of aliens who were here illegally and subject to deportation was not likely to exceed 100,000. The 1930 census gave the total number of persons of foreign birth in the United States as 14,204,149. Of this number 7,919,536 were citizens of the United States and 6,284,613 were aliens, namely, persons of foreign birth or nationality who had not been naturalized.

In 1930 the number of aliens in the United States was 6,284,613. Since 1930 that number has been reduced by death, voluntary departure in excess of new arrivals, deportation and naturalization to about 4,922,000. The number of successful illegal entries during the depression years since 1930 is insignificant and in all probability much more than offset by the unrecorded departures. Recorded departures since 1930 exceed recorded arrivals by six to five.

Of the aliens today in the country, 1,139,000 have filed their declarations of intention to become citizens. Allowing for minor children who will become citizens on the naturalization of the parents, the number of aliens here today who have not declared their intention to become citizens is not in excess of 3,403,000.

These are official figures of the Bureau of the Census and the Department of Labor. They dispose effectively of the allegation that there are 20,000,000 or even 6,000,000 aliens in the United States.

There is a time limit in the present law after which an alien here illegally may not be subject to deportation proceedings solely on the grounds of his or her unlawful entry some years ago.

The figures just mentioned are official and come from sources which cannot possibly be questioned. They have been checked and rechecked, and correspond also with an independent estimate which was made by Mr. Irving Wixon, a deputy commissioner of immigration, who has had 27 years of practical experience in dealing with the alien problem.

If we include with the aliens subject to deportation those who entered illegally prior to July 1, 1924, who are not now deportable, and also those who entered legally but who cannot after a lapse of years prove their legal admission, the total according to the best available estimates does not exceed 400,000.

Secretary Doak called attention to the fact that prior to 1921 there were few incentives to enter the country illegally, as practically the only restrictions were as to certain oriental peoples and the diseased, illiterate, criminal, and immoral. He also called attention to the fact that prior to 1907 no record was made of Canadians or Mexicans entering and that thousands of them were not inspected at all, and said that while many ineligible aliens succeeded in entering the country, in view of the fact that legal entry was so easily accomplished, "it is not believed that the number of illegal entrants was ever large." With reference to the aliens who entered without inspection or without a record being made of their admission, he raised the question as to whether they could rightfully be regarded as entering unlawfully.

These figures, coming from an official source, certainly set at rest any apprehensions that may have been aroused by the wild statements you have heard and seen to the effect that there are 20,000,000 aliens here and 10,000,000 of them are here illegally and

should be deported, or even by the smaller figures given that 6,000,000 aliens are here and 3,500,000 aliens unlawfully here should be immediately sent home. None of these wild figures can be supported by any official facts.

You can, therefore, see that a great deal of the hysteria, coming from irresponsible sources, claiming that the number of our aliens is so large, is not based on real fact; and since the alien baiters are unable to make much headway in their promiscuous cry for wholesale deportation of aliens because of their unlawful entry, they seek to arouse alien prejudice by advocating that the 4,000,000 aliens unlawfully here should become citizens within the next year or else be deported. Would it not be surprising to learn that the greatest number of certificates of citizenship ever issued in any one year was not in excess of a quarter million, so that under normal circumstances 4,000,000 aliens could not be naturalized in less than 16 years? Does this spokesman propose the wholesale blanketing of aliens into citizenship for a period of a year? I think he would be the first one to oppose such a bill, if introduced.

Now let us briefly summarize the laws relating to deportation of aliens, as follows:

ALIENS WHO ENTERED PRIOR TO JULY 1, 1924, NOW HAVE LEGAL STATUS

Aliens who entered the United States prior to July 1, 1924, even though they entered without the required examination, are not longer here illegally, but have a legal status in the country conferred on them by the Congress.

1. Aliens who entered prior to June 3, 1921, may not be deported and are permitted to register and eventually become citizens.
2. Aliens who entered between June 3, 1921, and July 1, 1924, may not be deported but are not given the privilege of registry and citizenship.
3. Only those who entered after July 1, 1924, lack a legal status in the country and are subject to deportation.

DESERTING SEAMEN

Under this heading may be grouped the statements relative to seamen deserting and to alien seamen paid off in United States ports. The principal allegations in this connection are the following:

- (a) "Five hundred thousand alien seamen deserted in the past 13 years."

The actual number of such desertions is 164,808 in the past 13 years.

- (b) "Two hundred and fifty thousand alien seamen desert their ships and enter country illegally each year."

During the greatest period of illegal entry, between 1921 and 1924, the average of such desertions was not 250,000, but 21,481. The average for the past 4 years is 1,580 per annum.

Now, I wish to talk to you a while about the Kerr bill, which is now awaiting action on the floor of the House of Representatives, having been reported favorably by the Immigration and Naturalization Committee back to the House. A great many of you have been given a wrong and false impression of this bill by certain propagandists opposed to the measure. Even some patriotic organizations have expressed opposition to this bill without really knowing its purpose.

The enactment of the Kerr bill will have the inevitable result of reducing the number of aliens in this country, of reducing hereafter the legal and illegal immigration from abroad, of making possible a more effective and humane administration of our deportation laws, and creating generally a more wholesome respect for our immigration laws and the American ideals of fair play.

You would probably be surprised if I assured you that today, under our present inflexible deportation laws, the law-abiding alien, perhaps your neighbor, whose only offense is that he came here some years ago without submitting to proper inspection by an immigration official is subject to mandatory deportation even if that harsh action results in a broken home with an American-born wife and American-born children left here without means of self-support, but that deportation is not possible in the case of a hardened criminal who has managed to escape with light sentences or fines for numerous criminal offenses over a number of years and he is free to continue his criminal activity until he is convicted of two or more crimes involving moral turpitude and for each conviction is sentenced to imprisonment for 1 year or more.

The Kerr bill will make it possible to adjust such cases to meet the offense, not upon any sentimental basis, but solely on the basis of the facts in the case and in the spirit of equal justice and for the best public interest generally.

Let me give you just two illustrations which will show clearly how unequally the present deportation laws are today. Here is a 52-year-old man, well respected in his community where he has prospered somewhat, and has established a happy home where two native-born children romp and play and his native-born wife takes her part in the community life. He has been here about 32 years before he went to Canada about 3 years ago to visit his mother during the Christmas holiday season. Shortly after his return home he became a patient in a State-supported institution for a mental disorder and solely because within 5 years after he returned from Canada he went to a publicly supported hospital he is subject to mandatory deportation even though he had lived here honorably and self-supporting for 32 years before his trip to visit his mother up in Canada.

And here is a man who came here in 1919 and since then has been charged with theft, larceny, forgery, United States mail offense, bigamy, conspiracy to robbery four times, but he has man-

aged to escape with short sentences, fines, and dismissals, and probation; he has actually served time in jails or prisons for a total of just about four and a half years as a result of his 10 arrests, but this alien is not subject to deportation under our present law.

The Kerr bill would grant certain discretionary power to a special committee, made up of officials of three departments of the Government—Justice, State, and Labor—to adjust the status of certain noncriminal law-abiding aliens so that they may stay here permanently and later on become citizens, and to deport certain habitual criminals whose deportation is found to be in the public interest.

The Kerr bill adds four new classes to the groups of aliens subject to deportation and also carries provisions which will enable immigration inspectors to more surely promote proper deportation proceedings and thereby prevent the escape of aliens before proper warrants can be secured. Deportations will undoubtedly be greatly increased in number. Other sections of the Kerr bill will reestablish the importance of the home and the American family-unit and prevent breaking up of honorably established homes here by a humane and just interpretation of the "spirit" of our deportation laws and thereby increase the general respect for the "letter" of the immigration laws.

Students of our immigration laws and of the administration of these laws have for a long time known that injustice and unfairness have resulted from the inflexibility of the provisions for deportation of aliens. The law gives no one, even the President of the United States, authority to use any discretion to prevent the deportation where there is no evidence of any crime, but where the sending away of one alien would break up a home—which is the unit of American civilization—and leave behind members of the family who are unable financially to go away also and yet probably will become charges upon either private or public charity soon after the deportation is accomplished.

A few years ago the President of the United States, then the Honorable Herbert Hoover, appointed what was officially known as the "Commission on Law Enforcement and Observation", and popularly referred to as the "Wickersham Commission".

Regarding the administration of our deportation laws, this Commission said:

"In deportation cases, even when the judgment is just and necessary, hardships are extreme, both upon those deported and upon their families who are permitted to remain; and, in the opinion of the Commission, the limited discretion to permit, in cases of exceptional hardship, a relaxation of the rigid requirements of the present statutes would be consistent with the dignity of a great and humane Nation."

The Kerr bill is so framed that the limited discretion, as advocated by the Wickersham Commission, may be given to a specially appointed committee made up of officials from the Departments of Labor, State, and Justice; surely, no right-minded, patriotic American citizen will stand up and claim that such a committee will jointly permit such abuse of this discretionary power as to utterly break down all our laws relating to immigration and deportation.

Almost every Member of Congress has had presented to him cases of aliens who are held for deportation on the ground that some technical provision of the immigration law has been violated, and I dare say your Representative or your Senator has been asked to intercede in behalf of your neighbor or a near relative of your neighbor who has been held subject to deportation. Perhaps you personally know of cases where you know that deportation would cause extreme hardship to your neighbor's family. Do you think there should not be given to anyone power to exercise proper discretion to prevent that hardship?

You probably know of cases where deportation should apply, but perhaps wonder why it is not made effective—it is probably a fact that those cases you know about are outside the present law, and deportation cannot be made unless the Kerr bill becomes law.

Let me tell you that the Kerr bill will not permit any alien to stay here who is now subject to mandatory deportation on account of criminal activities, or activities designed to harm our form of government or the unlawful disposition of narcotic drugs, or who is not of good moral character.

Also this bill would help us to get rid of the gunman, the racketeer, the State narcotic laws violators, and the aliens who smuggle other aliens unlawfully into the United States, and the habitual criminal who manages to get off with light sentences or just fines for his violations of our criminal laws. None of these can be deported under our present laws. These are new classes made subject to deportation proceedings.

A limited discretion in deportation cases is desired by many who have appraised our immigration laws. To put an end to many hardships resulting from our immigration laws, a limited discretionary authority to avert deportation is granted in the Kerr bill. It would permit an alien found subject to deportation to remain in the United States if he is of good moral character, has not been convicted of a crime involving moral turpitude and has not engaged in subversive political agitation to undermine our Government. His continued residence in this country would be permissible, however, only if he has lived continuously in the United States for 10 years or more, or has a member of his immediate family residing here as a citizen, or has one lawfully admitted for permanent residence. The bill specifically continues the mandatory deportation of criminals, the immoral classes, and those who would wish to destroy our form of Government.

This policy of preventing family separation would not increase immigration. Its objective is to avert the separation of families

already established here. Aliens permitted to remain would be charged to the quota of their nationality.

The Kerr bill provides that aliens here in a temporary status but who are entitled to permanent admission in a preference or nonquota status may have their status adjusted without leaving the country. The bill gives them no advantage they do not possess under existing law and merely spares them the expense of a trip to their own or some other foreign country to apply at an American consulate for the nonquota or preference visa to which they are legally entitled. There are numerous examples of the cruel and wholly unnecessary hardship imposed on deserving aliens by requiring them to go abroad to get a piece of paper they can to better advantage be given here, but one will suffice to illustrate the burdensome demand which the law now places upon these aliens.

A girl of Russian parentage, who fled to China and later came to this country to be educated by an American woman, must go back to China. Otherwise, she cannot be admitted to the United States for permanent residence. The girl lost her status as a student through marriage. While her American-born husband could petition for her readmission to this country, she must first journey to the Far East to receive from an American consul what could readily be handed to her in this country.

The required physical examination can be given to better advantage in the United States where there are United States Public Health Service surgeons always available than in a country thousands of miles away where dependence often must be had upon local physicians. It is not necessary for the alien to travel thousands of miles to enable a check of his police record. The American consuls do not accept his statements, but go direct to the police authorities. His financial situation can be checked much better in the United States. Subjecting such people to the cost and family separation incident to a long journey abroad to get a document to which the present law entitled them is a senseless and cruel technicality which serves no useful purpose whatsoever.

There is another class of family separations which are not due to the alien being subject to deportation, but, strangely enough, to his desire to become a citizen. This is the group who entered without inspection during the 3-year period prior to July 1, 1924. They have been given a legal status in the country by the Congress and may not be deported.

Provision has, however, not been made to permit them to become citizens. Their wives in many, if not most, cases are citizens, their children born in the United States are citizens, but to become citizens themselves they must first leave the country and return with an immigration visa. The Kerr bill would extend the privilege of registry to those and others who have lived here continuously for 10 years and put an end to their permanent disability to qualify for citizenship. The bill requires continuous residence for 10 years and a showing that the alien is a person of good moral character and is not subject to deportation. It is unlikely, therefore, that leniency in these cases will be an incentive to illegal entry.

The situation disclosed is one that is shocking in the extreme. It is one which violates our fundamental belief in the sanctity of family ties, and is one which is likely to engender hatred for our institution rather than a feeling that America stands for justice and fair dealing.

While the present law operates with unbelievable severity and harshness in the class of cases first mentioned, it goes to the other extreme in the consideration shown the criminal alien. While not even the President of the United States can avert the deportation of a person who is not a criminal, any police magistrate or judge when imposing a sentence which would render the criminal deportable may by a simple recommendation to the Secretary of Labor tie the hands of the Department and absolutely prevent deportation. There are many other loopholes for the escape of the criminal alien which the Kerr bill will close.

A law that protects the criminal alien and safeguards his stay in this country while in the cases of persons of good character it tears husband from wife and father and mother from their children is un-American and not consistent with the principles upon which our country has been built, and is a law that should and must be changed. The Kerr bill, H. R. 8163, will strengthen the hands of the Immigration Service in dealing with the alien criminal, and with those attempting to enter illegally while removing some of the barbarous effects of the present law in the case of persons of good character and bringing it into consonance with our American principles of justice and humanity.

ISSUANCE OF CERTAIN BONDS IN HAWAII

Mr. KING. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 8270) to enable the Legislature of the Territory of Hawaii to authorize the issuance of certain bonds, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Will the gentleman withhold that unless it is a matter of extreme urgency?

Mr. KING. This is a matter of local bond issues in Hawaii, and it is urgent to Hawaii, because we have been unable to cooperate with the P. W. A. until we can have some assurance that these bonds will be authorized.

Mr. TRUAX. Mr. Speaker, reserving the right to object, and I do not intend to object, some few weeks ago the Dele-

gate from Hawaii made a similar request. I objected to consideration of the bills at that time pending receipt of additional information. Having now received that information and having thoroughly satisfied myself that the bills are meritorious, I have no objection.

The SPEAKER. Is there objection to the consideration of the bill?

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Legislature of the Territory of Hawaii may cause to be issued on behalf of the Territory and may authorize any political or municipal corporation or subdivision of the Territory (including the board of water supply of the city and county of Honolulu, and the board of harbor commissioners) to issue of its own behalf bonds and other obligations payable solely from the revenues derived from a public improvement or public undertaking (which revenues may include transfers by agreement or otherwise from the regular funds of the issuer in respect of the use by it of the facilities afforded by such improvement or undertaking). The issuance of such revenue bonds shall not constitute the incurrence of any indebtedness within the meaning of the Hawaiian Organic Act, and shall not require the approval of the President of the United States.

All acts of the Legislature of Hawaii heretofore authorizing the issuance of revenue bonds on behalf of the Territory or by any political or municipal corporation or subdivision thereof are hereby confirmed and ratified.

SEC. 2. That the Territory of Hawaii, any provision of the Hawaiian Organic Act or of any act of this Congress to the contrary notwithstanding, is authorized and empowered to issue bonds in the sum of not to exceed \$4,803,000 of the character and in the manner provided in that certain act of the legislature of said Territory, enacted at its regular session of 1935, entitled "An act to provide for public improvements and for the securing of Federal funds for expenditure in connection with funds hereby appropriated for such improvements."

Such bonds may be either term or serial bonds, maturing, in the case of the term bonds, not later than 30 years from the date of issue thereof, and, in the case of the serial bonds, payable in substantially equal annual installments, the first installment to mature not later than 5 years and the last installment to mature not later than 30 years from the date of such issue. And said act of said legislature is hereby ratified and confirmed, subject to the provisions of this act: *Provided, however,* That nothing herein contained shall be deemed to prohibit the said act of said Territory by the legislature thereof from time to time to provide for changes in the improvements authorized by said act or for the disposition of unexpended moneys appropriated by said act, and that said bonds may be issued without the approval of the President of the United States.

SEC. 3. This act shall take effect immediately.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. KING. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2966) to empower the Legislature of the Territory of Hawaii to authorize the issuance of revenue bonds, to authorize the city and county of Honolulu to issue flood-control bonds, and for other purposes. An identical House bill H. R. 8261 has been reported by the Committee on Territories and is now on the House Calendar. The passage of this bill authorizing bond issues will help us in our public-works program.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the consideration of the bill?

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Legislature of the Territory of Hawaii may cause to be issued on behalf of the Territory and may authorize any political or municipal corporation or subdivision of the Territory to issue on its own behalf bonds and other obligations payable solely from the revenues derived from a public improvement or public undertaking (which revenues may include transfers by agreement or otherwise from the regular funds of the issuer in respect of the use by it of the facilities afforded by such improvement or undertaking). The issuance of such revenue bonds shall not constitute the incurrence of an indebtedness within the meaning of section 55 of the act of April 30, 1900, entitled "An act to provide a government for the Territory of Hawaii", as amended, and shall not require the approval of the President of the United States.

SEC. 2. The Legislature of the Territory of Hawaii may authorize the city and county of Honolulu to issue its general obligation bonds for the purposes of financing projects for the prevention and control of floods, in a total amount of not to exceed \$1,200,000, notwithstanding the existing limitation of indebtedness contained in section 55 of the act of April 30, 1900, entitled "An act to provide a government for the Territory of Hawaii", as amended.

SEC. 3. This act shall take effect immediately. All acts of the Legislature of Hawaii heretofore authorizing the issuance of reve-

nue bonds on behalf of the Territory or by any political or municipal corporation or any subdivision thereof, or authorizing the city and county of Honolulu to issue bonds for the control of any protection against floods, are hereby approved, ratified, and confirmed.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider and a similar House bill (H. R. 8261) were laid on the table.

SHALL IT BE THE RULE OF GOLD OR THE GOLDEN RULE, THE ALMIGHTY DOLLAR OR ALMIGHTY GOD?

Mr. BINDERUP. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

Mr. McSWAIN. Mr. Speaker, reserving the right to object, I shall raise no objection so far as this request is concerned, because two or three of my colleagues on the committee are not yet here; but I shall have to object to further requests in order that we may make progress on the T. V. A. bill.

Mr. KNUTE HILL. Mr. Speaker, I make the point of order there is not a quorum present.

Mr. BINDERUP. Mr. Speaker, will not the gentleman withhold his point of order?

Mr. KNUTE HILL. Mr. Speaker, I withdraw my point of order.

THE SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. BINDERUP. Mr. Speaker, I realize that in the message I am bringing to my distinguished audience this afternoon I shall have to speak very rapidly in order that I may convey my thoughts in a constructive manner in the very brief time allotted me.

Despite the fact that there is a surging of enthusiasm within me, I want to use the most beautiful words that can be found in the English language, and yet at the same time speak so emphatically and positively that there can be no one within the hearing of my voice that shall doubt exactly what I mean. And I wish to emphasize at this time, Mr. Speaker, that I am not speaking of men. After all, men are as atoms; they are here for a brief interval and then fade away and are scarcely more remembered. But I want to use my valuable time this afternoon to speak of principles—principles that are eternal, that never die—and yet to pause at intervals and call attention to systems that are corrupt or practices that are unfair, where justice has been dethroned or liberty manacled.

First, as a brief prelude to my remarks, may I present my credentials, that I may qualify as an authority on my subject, to you my fellow Congressmen. In my home town I do business with the Federal land bank. I am familiar with the writing of their farm mortgages and every detail associated and connected therewith, from the time the application is first written on the farm until the Federal land-bank bonds are finally exchanged for Farm Mortgage Corporation bonds—nontaxable, interest-bearing bonds, guaranteed by the Government of the United States.

I have long since become convinced that, with the present economic set-up of the Federal Land Bank, it will be utterly impossible for them to ever give relief to farmers in distress. Their system fits only to those farmers who have considerable equity left in the farms even under present land valuations. Thus there are hundreds of thousands of farmers being evicted from their farm homes today, through no fault of their own, but because of a disastrous mistake of our Government, when it allows the banking system of the Nation to take out of circulation approximately \$23,000,000,000—basic and credit money—and thereby entirely wiping out the very substantial equity these thousands of farmers had in their farms.

Realizing the plight of the farmers not only in my State but throughout the United States, some 4 years ago I became intensely interested in the Frazier-Lemke farm-mortgage refinance bill, the bill House roll 2066, which we are now trying so desperately to have considered on the floor of the House. Understanding how this bill would fit entirely

into the machinery of the Federal land bank, without adding new bureaus or creating any greater expense, even to that of changing the form of stationary, in fact, the Frazier-Lemke bill would reduce the expense of making farm mortgages, I became enthusiastic over this farm-mortgage refinance bill to the extent that I began to explain this plan over the radio in my weekly broadcasts, which covered more than seven agricultural States, also in speeches which I delivered at many points in our part of the country.

Naturally when I came to Washington I immediately associated myself with the proponents of the Frazier-Lemke farm-mortgage refinance bill in order that I might know positively that every step or every transaction would fit in with the set-up of the Farm Credit Administration here in Washington, as well as that of the Federal land banks out in the Territory. I interviewed at length Chief Counsel Hovey, Governor Myers, and Deputy Governor Hill, of the Farm Credit Administration, as well as Secretary of the Treasury Morgenthau, and after this most thorough investigation I was more than ever pleased and convinced with the similarity of the entire set-up, differing only when it came to the finals of each application, wherein the farmer would pay 1½-percent interest to the Government and 1½-percent amortized payment on the principal each year, instead of paying 4 or 5 percent interest to the Federal land bank; and the Government would thus be lending its credit to the farmers direct, receiving 1½-percent interest for the use of such credit, instead of, as now, lending its credit to the Federal land bank—a quasi-Federal institution—free and guaranteeing interest and principal of the bonds to the bondholders.

And so I came to Washington to help promote this righteous cause, and I doubt if you can imagine my surprise when Congressmen who have been here for several years explained to me that in their judgment there was no question whatever but what the Frazier-Lemke farm-mortgage refinance bill would be passed by a large majority through the Agricultural Committee, both of the Senate and the House; that it would, when presented, pass the Senate and the House by very large majorities; but that there was something in Congress known as the "Rules Committee" that had more power than all the rest of Congress; that in fact it eclipsed the power of 525 Members of Congress, including 96 Senators and 435 Representatives, the duly elected representatives of more than 125,000,000 American citizens; that no legislation could go through Congress unless this Rules Committee was favorable.

This was a shock to me, as I have always been a Democrat and believed in the principles as taught by Thomas Jefferson. This was so far different from what I had anticipated, especially in a Congress that was composed of three-fourths Democrats, honored with the privilege to enact real Democratic legislation in a Democratic way, as well as being clothed with responsibility. Everything was in the hands of Democrats. My new acquaintances among Congressmen and proponents of the Frazier-Lemke farm-mortgage refinance bill continuously warned me about the danger and the opposition of the Rules Committee, to which I replied to my new friends, "You must be unnecessarily alarmed; you are turning backward the clock of time; you are turning back to the time of Republican Cannonism, when the people of this Nation were denied the privilege of being heard on the floor of the People's Congress; this cannot be possible under a Democratic administration, not under the party of the great liberal, Thomas Jefferson. We have long since destroyed Cannonism and such tyranny of government."

Do you not remember Nebraska sent GEORGE W. NORRIS, one of her worthy sons from the plains, to Washington, to this Congress some years ago, and he stood where I now stand defending the righteous cause of liberty and freedom from political dictatorship, denouncing the gag-rule, and demanding the free representation of the people's interests on the floor of this House. Do you not remember how he placed his heel on the head of the venomous snake called Cannonism and crushed the life out of this hideous creature that was robbing the people of their constitutional inherent rights. And thus not alone our State but the Nation learned to love

the now Senator NORRIS, this son of Nebraska, and thus has he builded a monument to himself in the hearts of his people.

Then, too, we sent another of our native sons of Nebraska, W. J. Bryan; we called him the "Great Commoner"; throughout the world he was known as the "Prince of Peace." He came to Washington; he, too, stood where I now stand, and also in this historic Chamber he reminded you of the great ideals of true democracy, reminded you of the fact that the Government derives its just powers from the consent of the governed; he advised you of the danger of bureaucracy usurping the place of democracy, of committees clothed with power that abused their power, of the danger of vast powers in the hands of a few. He taught that human rights were prior to property rights and that devotion and sincerity to high ideals was the great and noble aspiration of the Democratic Party; he revived the democracy of old, amplifying the principles of true Jeffersonianism until those whose patriotism was waning received a new inspiration, the despondent received new courage, and those becoming reconciled to economic slavery received new hope.

Do not tell me that this noble Democracy has deteriorated to the point of Cannonism, that the Republican snake of old has changed its hue and has now taken on a Democratic color. I cannot believe that this Democratic Congress will stand for so great an injustice to the people of our Nation. If this be true, then shall the State of Nebraska once again call for one more disciple of justice to the toiling masses, one more guardian of the great principles of Democracy, one more soldier to fight in the front line trenches against this injustice. Am I the one to answer that call? If so, I accept the challenge, for no privilege could be more welcome than that I might stand here and defend labor in its righteous cause, and the farmer, the tillers of the soil, that are fast becoming economic slaves, cringing, crawling slaves, pleading and begging and fighting for the crumbs that may fall from the table of plenty, that table that they themselves have decorated with an abundance of everything, an abundance that they themselves have produced by dipping their hands deep into the God-given fountain, the fountain of natural resources of the earth, shaping them into blessings for humanity.

In coming back, now, to my first introduction to Washington, to my first contact in Congress. Congressman LEMKE introduced this righteous bill, known as the "Frazier-Lemke farm mortgage refinancing bill", in the House, and Senator FRAZIER introduced a like bill in the Senate. I filed a petition on the Speaker's desk requiring, according to the gag rule, 218 signatures of Members to discharge the Rules Committee and bring the bill out on the floor of the House for consideration. And so the bill started on its long and tedious voyage through Congress. After long and extensive hearings in the Agricultural Committee of the House, wherein witnesses were called in from far and near to testify for or against the bill, this bill finally passed the House Agricultural Committee with a majority of 18 to 5, and that committee appointed a committee from its members to see the Rules Committee of the House and ask that we might have a hearing before said Rules Committee in an effort to have the bill brought on the floor of the House. This hearing was denied.

About this time the Senate Committee on Agriculture began hearings on the bill, and after extensive hearing in that body the Senate committee passed the bill without one dissenting vote, and recommended its passage by Congress. Meanwhile legislatures from 32 States passed resolutions memorializing and petitioning Congress to pass this righteous bill for the relief of farmers in distress and for the rehabilitation of agriculture. Regardless of all this the Rules Committee refused to give us a rule to permit this bill to be heard on the floor of Congress.

During this time the proponents and friends of the bill were busy telling about the advantages of this Frazier-Lemke farm-mortgage refinancing bill until we had succeeded in getting 211 Members to sign our petition; in other words, we lacked only 7 more signers in order to force it out on the floor of the House. Then, about this time, enemies of the bill became busy, began to prevail on various Mem-

bers and suggest to them, for political reasons, that they take their names off the petition, they succeeded to the extent that 13 of those who had formerly signed took their names off the petition.

It was rumored that President Roosevelt opposed the bill, so we appointed a committee of six of the proponents of the bill to call on the President, who assured this committee that he had never authorized or suggested to anyone that names be taken off the petition; furthermore he stated, that in his opinion, if we had 200 signers—and we had at that time 205—that he thought that this bill should be heard on the floor of the people's Congress, and I speak with authority in this matter, as I was one of the committee to wait upon the President. At this particular time we have again increased the number of signatures up to 209, now lacking just 9 signatures to bring the bill out.

Fellow Members of Congress, what is this strange, peculiar, omnipotent, hidden power in this Congress that is depriving your constituents and mine, the citizens of a free Nation, to be heard on the floor of the people's Congress? What is this strange peculiar power that is like a Joshua of old who said to the sun and the moon, "Stand still", and they stood still, while he plundered and murdered and destroyed men, women, and children? And so this mighty, secret, silent, and destructive power says to the Senate and the House of Representatives, the people's Congress, stand still and refuse to function in your legislative power, and they stand still, while 300,000 fathers are pleading and begging that the Frazier-Lemke bill may be passed and their homes may be spared for their wives and children, their homes for which they would give their lives and would be tempted to sell out heaven. And Congress stands like a silent sphinx and sanctions by toleration the destruction of the Nation's homes that shall determine the welfare of the future of our great Nation.

Mr. CHRISTIANSON. Will the gentleman from Nebraska yield?

Mr. BINDERUP. I yield to the gentleman from Minnesota.

Mr. CHRISTIANSON. Is it possible that this power resides in the White House?

Mr. BINDERUP. I am asking you, my audience, what is this power, and each one can answer for himself according to the dictates of his own conscience. I ask again what is this giant power that is robbing the people of their liberties and their rights in this Congress? Power that, like a thief in the night, crawls upon its victims and stabs a dagger in their back. This silent power that takes from the people their right to be represented on the floor of the House of Representatives. This power that whispers, "Stand still", in the Senate and House of Representatives, while 300,000 mothers, with tear-stained cheeks, are begging and praying that Congress will pass the Frazier-Lemke bill and save their homes for their children's sake, and this silent power ignores their pleadings and scoffs at their prayers. What is that silent, mighty power in Congress with a heart of stone that is not moved by the pleadings of millions of children that are being put out of their homes in a cold and heartless world in order to protect interest, profits, and dividends. The political machine that grieves not; a living system that has no heart.

What is that silent, whispering voice that like a wizard's voice heard from the tomb of tyranny and Cannonism, what is that power that amplifies the voice of the Rules Committee so loud that it drowns the pleadings of 125,000,000 American citizens, closes the ear and seals the lips of 435 duly elected representatives of the people. Not a soul in or out of Congress could possibly object except predatory wealth and coupon clippers. No one has dared to criticize this bill, only one expression have I heard from a Congressman who asked me the question, if you begin to finance homes of this Nation directly by the Government, who is going to pay the interest that will enable loan companies and insurance companies to live? Let my closing remarks be an answer to the gentleman's question.

My fellow Congressmen, in conclusion let me appeal to you. Is gold so precious and human life so cheap; is human

greed so powerful and human love so weak; are interest and dividends to be considered rather than the homes wherein is molded the disposition and character of your children and mine—homes that are the units in the foundation of our great Government and the bulwark of the Nation, homes that are God's sanctuary on earth to man? Shall property rights be considered more than human rights? Shall we continue, my friends, to be governed under the despotism of the rule of gold, or shall we govern, as our great Constitution provides, and as the great Master has decreed, by the Golden Rule? Shall our people be governed by the tyranny of the almighty dollar or by the love of an Almighty God?

Is Freedom's holy light eclipsed by darkness?
 Shall Justice take its mandates from the knave?
 Is Liberty a plaything for the heartless
 That man should make his fellowman a slave?
 Behold, my friends, the light, the torch of reason,
 That silence midst injustice is a sin;
 To kiss the hand that wields the whip is treason
 Against your God, your Nation, and your kin.

PROPOSED CONSTITUTIONAL AMENDMENT

Mr. MAAS. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. MAAS. Mr. Speaker, I have today introduced the following proposed constitutional amendment:

That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by conventions in three-fourths of the several States:

"Every public act or public resolution of Congress shall, after having been presented to the President and approved by him, or not returned by him within 10 days (Sundays excepted) after it has been presented to him unless its return has been prevented by adjournment of the Congress, or after having been returned has been repassed by two-thirds of the Senate and the House of Representatives, shall not become a law unless presented by the President to the Supreme Court of the United States for its decision on the constitutionality thereof and until 60 days (Sundays excepted) after it has been so presented. It shall be the duty of the Supreme Court to render such decision within such 60 days."

Because of the rapid changes taking place in our economic readjustment, it is necessary that the people and business men in particular know whether the acts of Congress are valid or not.

It is not only disconcerting but dangerous to make major readjustments in our economic structure through regulatory legislation, which is later found to be unconstitutional especially after the changes themselves have been made. It is wasteful, costly, and leads only to chaos. The results can only retard natural recovery. It would be a tremendous assistance to the business man and to the citizen in general if he knew that all of the laws under which he must operate were constitutional as soon as they were put into operation.

The effects of this proposed amendment will accomplish that very purpose. This amendment if adopted as a part of the Constitution of the United States will hereafter eliminate the uncertainty of the laws passed by Congress, as to their constitutionality.

Sometimes now it is years before the validity of a law can be determined. We have recently had the experience of Congress passing a far-reaching measure affecting the lives of every individual in the country. After the necessary adjustments were made to conform to this law and conditions were beginning to resume stability, under the new regulations, the law was found to be unconstitutional and the result was near chaos. There is no reason why the United States Supreme Court should not aid and assist in the administration of our laws by this method of rendering decisions upon the constitutionality of the acts of Congress as soon as they are passed.

I believe that the adoption of this constitutional amendment would be a tremendous step forward for this country and would eliminate 99 percent of the objections and criticisms to the present procedure of the United States Supreme Court.

MANUFACTURE, IMPORTATION, SALE, AND USE OF SPIRITUOUS LIQUORS

Mr. GUYER. Mr. Speaker, I ask unanimous consent to proceed for a quarter of a minute.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. GUYER. Mr. Speaker, I have introduced in the House a bill—H. R. 8739—prohibiting the manufacture, importation, exportation, transportation, sale, and use of spirituous, vinous, malt, and fermented liquors, liquids, or solids containing alcohol which may be used as beverages, applicable to the District of Columbia only.

IN BEHALF OF DEFENSELESS CITIZENS OF WASHINGTON

First. I have introduced this bill for the Nation's Capital because the citizens of Washington are powerless to defend themselves against the flood of liquors and the curse of intoxication which is overwhelming the Nation's Capital. The only thing that the citizens of Washington can do is to petition Congress asking for those things which are for their common welfare and safety. In common with all other Congressmen, I feel a responsibility, and also feel that I am expressing the sentiment of my own constituents which within the year registered their disapproval of unrestricted barter and sale of intoxicating liquors. A large number of good citizens of the District of Columbia, represented by a committee of citizens who desire safe and clean government for their families and neighbors, have joined their forces and are now petitioning Congress for relief from the intolerable conditions created without their consent in the District of Columbia.

PROTECTION OF YOUNG EMPLOYEES OF THE UNITED STATES

Second. The different branches of the Government—legislative, executive, and judicial—have selected from the best homes in the country the brightest and most promising young men and women for employment in the District of Columbia. These young people who are selected, in almost all instances, have been taken from homes where their health and morals have been jealously guarded and their training carefully directed, are thrown among strangers and in their youth relieved from the restraints of home, naturally and readily adopt the habits and practices of their new associates and are themselves exposed to unusual temptations and dangers. The parents and friends of these young people have a right to know that they are surrounded by the best possible environment, and I believe that the vast majority of them would shield these young people from the inebriety and vice which are sure to surround them in a city where one can hardly walk a hundred feet on the street without passing a place where intoxicating liquors are sold without any serious restrictions. If there is any one population in the Republic which more than any other demands the protection of the Nation's lawmakers, it is the helpless citizenship of the District of Columbia. Congress, and every Member individually, should be held responsible for the conditions in the District so far as it is in their power to control. There are practically 2,000 licensed saloons in Washington, and some assert that there are from 5,000 to 10,000 illicit places where liquors are sold, all of which are immoral in their influence and many of them veritable dens of vice.

RESPONSIBILITY OF CONGRESS

Third. It is the business of the Congress of the United States, which possesses absolute power to govern the District of Columbia, to make Washington a model city not only for the United States but for the world, and also the safest place for family homes, which is the foundation of our free institutions. This certainly cannot be accomplished while the National Capital is overrun with saloons. The bill which I have introduced is the result of the studies and work of a special committee of prominent District lawyers, who, taking the old Sheppard Law as a model, have written this law, correcting some of the weaknesses of the Sheppard Act.

A DISGRACEFUL RECORD

An examination of the police records of the District discloses a deplorable state of affairs since the repeal of the

eighteenth amendment. The advocates of repeal promised to banish the bootlegger, promote sobriety and temperance, and check the prevalence of crime. It has accomplished nothing of the kind, but instead crime has increased and drunkenness doubled, with every form of vice increasing.

The following facts compiled from the police records of the District illustrates the intolerable conditions which have obtained since repeal:

Increase in 1934 over 1932

	Percent
Arrests for intoxication.....	57
Arrests for driving motor cars while intoxicated.....	39
Arrests for disorderly conduct.....	19
Arrests for misdemeanors.....	30
Arrests for felonies.....	11
Daily average arrests.....	34

In 1934 there were 510 arrests of minors for intoxication. There are no previous records.

Arrests of women for intoxication, 11 months (fiscal year 1935), was 1,493.

Certainly such a condition of affairs justifies some legislation that will better conditions in the Capital. This bill, I believe, will solve the problem, if enacted and enforced.

NATURAL AND INEVITABLE FRUIT OF LIQUOR TRAFFIC

We are not surprised that these offenses have increased at such alarming rates; that crimes of every sort have increased. Crime and liquor are always partners. Repeal has not, as promised, eliminated the bootlegger and banished the illicit liquor vendor. Repeal was accomplished by duplicity and hypocrisy. It was brought about by the most stupendous campaign of mendacity ever launched against a righteous cause in a civilized country.

WAR A DEMORALIZING INFLUENCE

The Great War had a profound influence upon this country, as it did upon every country in the world, whether involved in it or not. But those influences and post-war conditions were not calculated to buttress the eighteenth amendment. There came out of that war many sinister influences and few good ones. In my opinion, the eighteenth amendment was about the best thing that resulted from the war, if we assume it was such a byproduct.

We have only to consult the progress of the better things of life, the matters of the spirit, to understand and appreciate the effect of that war on the moral atmosphere of this and other countries. The most obvious effect in this direction was the increase in desperate crimes.

Legislatures and Congresses, bench and bar, pulpit and platform, press and radio have contributed their best toward the solution of our crime problems.

WHAT CREATED THE CRIME WAVE

The discussions have embraced many conflicting conclusions. One contention was that the eighteenth amendment was the cause and source of that criminal reign of terror which ranged from rum running and bootlegging to kidnapping and banditry. Another that it was rather the lack of prohibition, the absence of energetic enforcement of that law. It was charged that venal or unsympathetic public officials, State and National, aided and abetted by an adverse and mercenary propaganda, had permitted the traffic in illicit liquor to become so impregnably entrenched as a colossal financial racket that enforcement efforts, however sincere and energetic, were nullified.

Thus the cupidity of the liquor vendor, the criminal indifference or corruption of public officials, and the hypocrisy of the bootlegger's patron joined the underworld in creating a reign of terror not paralleled in the criminal annals of this country. The patent and obvious fact is that the liquor racket was just a part of the lawlessness that ever follows great wars, as was the case with the Thirty Years' War, the Napoleonic wars, and our own Civil War.

CRIME A UNIVERSAL SCOURGE

Every country involved in the World War had its own crime problem, and ours exceeded others in proportion to the ease and opportunity for criminal activities, the facility of "get-away", the profits realized, and the hope of escaping

punishment occasioned by reason of the seeming immunity afforded by our legal system and the protection thrown around the accused.

The World War, with its unprecedented brutality and hatreds, did not tend to make the lion and the lamb bedfellows in our domestic criminal meadows. That sort of psychology and trend of thought since the war and during the depression has created a fertile soil for crime and degeneracy, with a sort of incipient revolt against civilization and the finer things of the spirit. The World War, with its physical destruction, was as usual followed by moral retrogression. Crime was a startling manifestation of this period of retrogression. Crime may not be the most far-reaching menace of this age of violence and transition, but it certainly is the most obvious.

AESTHETIC EFFECT OF RETROGRESSIVE ERA

How about art and literature? These spiritual entities should reflect the soul and spirit of our national life. Books? I have two in mind. Both best sellers. I shall not name them. Let us draw the veil of charity. One the critics said would be one of the greatest books of this era. It contains descriptions which not so many years ago were considered unprintable outside of purely pornographic literature. In the other the facts recited were so salacious that a so-called "heathen" nation protested against it as a reflection upon its standard of ethics. These are extreme examples, but they measure the taste of the public appetite for literary provender. Do not shoot the authors. They, like other purveyors to the public service, strive to satisfy the demand of their public.

Art? Is there a recent painting which by its beauty or thought has caught the gaze of the public eye? With the exception of Borglum's creations at Stone Mountain and Mount Rushmore, which rival the majestic grandeur of ancient Egypt, our sculpture has produced nothing since the war worthy of serious notice. The drama? The cinema, movie, or silver screen, whichever suits your taste? Sensuality enthroned! Sex deified! Vice and crime lionized! Again do not blame the theater and the picture industry too much, for they, too, cater to the popular taste.

Music? While the public is famished for good music you cannot turn on the radio without being feloniously assaulted by a jangling nightmare of jazz. Literature, art, music, and the drama constitute the mirror which should reflect the soul life of the people, the stream on whose bosom should be etched the intellectual and moral life of the Nation. We must not blame the stream too much if, when we look upon its surface it sends back a picture black with diabolism and lechery.

THE AMERICAN HOME

How about the home life of our people? It has drifted far from what it once was. Topics of conversation once only whispered in the sacred precincts of the ancient and honorable but now extinct livery stable and barnyard; which refinement once banished and gentle breeding rebuked, are now welcomed at the dinner table and in the drawing room. What of it? Like modern bathing suits, feminine swearing, and unusual atrocities in criminal history, all are harbingers of the new day, a kind of ethical new deal in which the old order changeth and we behold a new heaven and a new earth. Nothing, however, is peculiar to us. In continental Europe they have gone as far beyond us in social revolution as their arbitrary and absolute dictatorships transcend our bureaucratic autocracies and executive invasions.

A SORDID STORY

In one country of continental Europe, a writer says that due to post-war economic pressure and war-time standards of morality, young men and women live together outside the pale of marriage with the consent and approval of their parents "without losing social status or business standing." Nothing like that here, particularly at the "grass roots." Sound as a dollar. Yet, family authority is relaxed or paralyzed. Flaming youth unleashed. In some exalted circles matrimony is a joke. Children brought up as they

would, not as they should, go. And we wonder at the prevalence of crime. Along with all this sordid story we decide to turn loose the curse of liquor, whose greatest contribution to society is a new harvest of criminals.

FLOWING UNDER THE CROP OF CRIMINALS

If you want less criminals, stop raising them. All speed to J. Edgar Hoover's swift triggers and more power to his steel-jacketed messengers. But we have used all this as a cure for crime. To the prison and the gallows we have added the lethal cell and the "chair"; sent criminals to the gibbet, the gallows, the solitary cell and the "chair", but the surplus only increases. Our modern crop-reduction theory does not work here. We just cannot plow them under fast enough. I repeat, stop raising criminals. The secret and hope lies in the American home, church, and school, where character is molded. Intoxicating liquor is the mortal enemy of each of these constructive institutions. Liquor is everlastingly destructive. Of course we should exclude alien criminals, and be more economical with paroles for hardened criminals, but our hope is in the constructive laboratory of human character found in the home, church, and school.

GIVE VIRTUE AND INTELLIGENCE A CHANCE IN THE CAPITAL OF THE UNITED STATES

But these benign institutions should not be forced into competition here in the Capital with the destructive agencies of alcohol, which is both a physical and social poison. These instrumentalities of virtue and intelligence should be given the widest and most favorable field for the development of character, unhampered by the influence and malignant venom of 2,000 legalized saloons and unnumbered speak-easies. The mission of this bill is to make it easier for people to be decent, and more difficult for them to make failures and wrecks of their lives here in the Capital of the United States.

ANONYMOUS EDITORIALS

Mr. MORITZ. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. MORITZ. Mr. Speaker, I have introduced a bill—H. R. 8763—which provides that all editorials or parts of editorials be signed by the writer thereof, and I take this opportunity to explain why I have introduced it.

Mr. Speaker, nobody honors an anonymous letter. In fact, anyone with an inch of honor throws an unsigned letter into the waste basket. The reason is that anyone who has not the courage to sign his or her name does not deserve the slightest recognition. Furthermore, an unsigned letter is evidence often of untruths and is only written for the purpose of disseminating trouble.

The same can be said of many newspaper editorials. These editorial writers come under the class of anonymous letter writers. No one has ever tried to force them out of ambush.

By virtue of their office and by reason of the peculiar position which they enjoy behind the closed doors of their "holy of holies" they can write as bitter and defamatory an editorial as they wish, knowing full well that the public will not know its authorship.

How many times these editorial writers must have chuckled to themselves after completing their vicious articles, and how many times have these brave "knights of the inner circles" smiled in satisfaction after they have coldly and maliciously stabbed their public-office victims and enjoyed the wild flow of blood that they caused.

These editorial writers are learned and they know that the public will not know who they are. It is not sufficient for these capitalistic chain-store newspapers to publish the name of the editor in chief. Everyone knows that the editor in chief has many assistants who are unknown to the public; in fact, who would be the wiser if an unfriendly outsider not even connected with the paper should write a bitter editorial for revengeful motives and the article be accepted by the newspaper as an editorial?

Just the other day, because the mayor of Pittsburgh permitted his cabinet member to dismiss an employee, the edi-

torial of a Pittsburgh paper spoke of William McNair, the mayor, in bitter, libelous words, namely, "a cruel, sadistic nature", when, as a matter of fact, the present mayor of Pittsburgh has practically maintained all of the present employees of the past administration and his cabinet member had no alternative but to dismiss this employee, because, forsooth, this employee in his pride would not consent to a lesser position paying about \$3,900 a year.

The charges in this editorial were that the mayor delighted in inflicting cruelty, in causing wives anxiety and worry, when in truth there is not a more kind-hearted man in the world.

All this had to be endured because an editorial writer gloated in writing these lines behind closed doors, knowing full well his identity would be forever kept secret.

Mr. Speaker, I do not ask for a curtailment of free speech. Let the editorial writers continue, if they wish, in their bitter attacks on public men; but under my bill I expect to force them to sign their names so that the practices of a sneaking, man-eating, cruel, character assassinator may not be carried on in secret.

TENNESSEE VALLEY AUTHORITY

Mr. McSWAIN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 8632) to amend an act entitled "An act to improve the navigability and to provide for the flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama; and for other purposes", approved May 18, 1933.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8632, with Mr. DRIVER in the chair.

The clerk read the title of the bill.

Mr. McSWAIN. Mr. Chairman, I yield to the distinguished gentleman from Connecticut [Mr. SMITH], a member of the committee, 5 minutes.

Mr. RANSLEY. Mr. Chairman, I also yield 5 minutes to the gentleman from Connecticut.

Mr. SMITH of Connecticut. Mr. Chairman, there has been a great deal of talk about the House bill destroying the program of the T. V. A. The program that is referred to is, of course, the power program of the Authority, and how is it contended that the House bill will destroy this program?

The program as laid down in the original bill is for the sale of surplus power created by the other developments of the Authority. The bill provided that the presently existing dam at Muscle Shoals should be turned over to the Authority and that one additional dam should be built, the Cove Creek Dam, now known as the "Norris Dam." The Authority, in its work, has followed a program of construction of two additional dams without any report to Congress of its plan for the building of these dams. This has raised a question as to the legality of its action in building these two dams, the Wheeler and the Pickwick Landing Dams.

The House bill provides, by reference, that the action of the Authority in building these dams is validated. The House bill also provides that the Authority shall make known to the Congress what its plans are for future development, that it shall have definite plans and that it shall at the time of their next annual report report its plans to the Congress so that we will not have a recurrence of this legal question.

The directors of the Authority are able men, and their integrity is not questioned, but I feel that they are to be criticized for their impatience with any regulation or with any supervision and for the reluctance they have shown in the past to make known their future plans to this body.

We know that they plan in general a yardstick of hydro-electric power costs. I believe that the vast majority of this body would like to see an honest yardstick established, which will supplement the work which the Power Commission is doing today in making a comparative rate study throughout the country; but before committing this Government to the construction of dams of a type not necessary for navigation or flood control, we should know what power will be produced by these dams, what the generation of this power will cost, where it will be marketed, and how these dams will fit in with the yardstick.

When the three dams now under construction are completed, with the existing dam there will be a dependable capacity of approximately 300,000 kilowatts. How many residential consumers and how many industrial consumers will be necessary to use this great output, and where will these consumers come from, in view of the surplus of capacity that the Army engineers claim already exists in this district? The Authority should tell us what its plan is as to consumers and how it is going to use this yardstick.

The House bill contains five important changes in the basic law:

First. Section 2, to which I have already referred, which validates the construction of Wheeler and Pickwick Landing Dams, and requires recommendations from the directors for the unified development of the river.

Second. Section 3, which allows the directors to convey land.

Third. Section 8, which establishes accounting procedure, and which limits the time during which the Authority may sell below the cost of production.

Fourth. Section 13, bringing the Authority under the supervision of the General Accounting Office.

Fifth. Section 14, which provides for condemnation of existing transmission lines rather than duplication by the Authority if its efforts to purchase the existing lines are unsuccessful.

It is claimed that these changes in the law will destroy the program of the Authority. On the contrary, it should put the work of the Authority on a sounder basis. If no definite plan exists, one should be decided upon before we are committed to the expenditure of many millions for additional dams.

If the program of the Authority will be crippled by the limitations of time within which it can sell below cost, the Congress should be informed as to the length of time the Authority will need to establish itself on a paying basis. If it is necessary to extend the time, the reason for doing so should be shown to the next Congress.

Perhaps the most controversial of the amendments proposed by the committee is that which places the Authority on the same basis as other Government departments in relation to the General Accounting Office. There has been a great deal of talk about the purchase of cows, steam shovels, and other articles without bids, with hints at improper conduct. After the extensive hearings of the committee and the testimony of the directors and the Comptroller General, it is safe to say there is not the slightest evidence of any fraud or dishonesty connected with the Authority. This amendment will remove the possibility of any such unfounded charges in the future and will protect both the Authority and the Government by the application of the principles on which we run all other departments.

The only argument used against the amendment proposed in section 14 of this bill is that it will cause delay in the courts. Because of this, the owners of existing transmission lines would be denied any chance of their day in court or any chance of showing that their contention as to value is correct and that of the Authority is wrong. If we do not adopt this amendment, we place altogether too much arbitrary power in the hands of the directors of the Authority. The argument is unsound, un-American, and typical of the hysteria which surrounds the power question today. About this whole project in the Tennessee Valley there is an atmosphere of great haste, and the reason for the haste is not apparent. It is a project which is expected to develop for years in the future, and no necessity has been shown for

rushing it through without any regard for justice or for existing law.

The House bill provides proper supervision of the development of this work, and I hope the committee will adopt its provisions.

Mr. FORD of California. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Connecticut. I yield.

Mr. FORD of California. Did the gentleman ever live in a city that tried to purchase a competing utility?

Mr. SMITH of Connecticut. I never lived in a city that tried to purchase one or had the power of condemnation.

Mr. FORD of California. If the gentleman had, he would find that anywhere from 3 to 10 years is the limit within which you can get at the matter, because they go into all the courts and go right down the line to the Supreme Court, and simply leave you out on a limb.

Mr. SMITH of Connecticut. If such a delay exists, it can be corrected by a change in the system of the courts, and it is not an argument for arbitrarily seizing property without any judicial action.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Chairman, I yield 20 minutes to the gentleman from Missouri [Mr. SHORT].

Mr. SHORT. Mr. Chairman and Members of the Committee, of all the crazy, cockeyed schemes hatched from the diseased and disordered brains of the "new dealers", the T. V. A. easily takes the prize.

Muscle Shoals was the product of real emergency, and the only justification of the birth of this costly child was the state of war in which we found ourselves. After spending approximately \$150,000,000 on the project, it proved to be an expensive experiment and bitter disillusionment. What happened 2 years ago last May? The T. V. A. Act was passed to salvage this wreckage. What for? For the improvement of navigation and flood control of the Tennessee River, reforestation, prevention of soil erosion, and several other purposes, but mainly for national defense.

It is obvious, however, to anyone who heard or will read the hearings before the House Military Affairs Committee during the past 5 months that the T. V. A. has paid little or no attention to national defense. The testimony of both Dr. Morgan and Mr. Lillenthal clearly shows that the chief purpose and one absorbing and overshadowing interest of the T. V. A. is the development, distribution, and sale of hydro-electric power, not only to the people in the immediate Tennessee Valley but to communities and centers in remote areas. This is in flagrant violation of the intent of Congress and purpose of the original act of May 18, 1933.

It is true that the Board was given the authority to dispose of that surplus power not needed for the operation of the locks at the dams for aiding navigability and flood control of the Tennessee River, but the power program, according to the act, was to be incidental and not fundamental. Notwithstanding this clear and concise intent of Congress, the T. V. A. has made its power program of primary interest and supreme importance. Instead of following the recommendations of the Board of Army Engineers to construct low dams for navigation purposes, the Authority has proposed to construct high dams at an increased cost of 75 percent, for generation of additional electric power. Furthermore, the Authority was authorized to operate only Muscle Shoals and Cove Creek Dam, when completed. Beyond this it could not go in actual construction of dams, but was required to act as a planning board and to report to Congress any recommendations for further development of the valley.

Notwithstanding this distinct limitation the Board, without reporting to Congress, and without legal or constitutional authority, has already under construction and contemplation of construction several other dams. The estimated cost of Norris, Wheeler, Pickwick, Hiwasee, French Broad, and Aurora Dams—these six alone—aggregate \$181,000,000. Already the total authorized expenditures since the T. V. A. took control in June 1933 amounts to \$121,523,675.58. This does not include the \$150,000,000 spent on Muscle Shoals up to the time the Authority took possession.

Dr. Morgan testified that the T. V. A.'s program was a continuing program and would perhaps run over a century's time. Of course, that is a general answer and leaves the program a bit vague and indefinite. What assurance have we that the utopian dream, with its present plans for power dams and power houses and lines, for improvement of navigation and flood control, for fertilizer manufacture, for prevention of soil erosion, for reforestation and reclamation of marginal lands, its plans to cure all the social ills and solve all the economic problems of the people in the Tennessee Valley, will not exceed in cost \$1,000,000,000 within the next 10 years?

When will the time come when the T. V. A. will not come to Congress for additional appropriations? And what will the ultimate cost be if President Roosevelt and the present administration carry out their desire to extend the activities of the T. V. A. into every section of the United States? Can one fill a sieve with water? How long will the barrel remain filled with the bunghole out?

I regret that on yesterday sinister aspersions were cast on the Aluminum Co. of America, and on Arthur V. Davis, chairman of its board. I never saw Mr. Davis until he appeared before our committee; I have not seen him since. Never have I listened to a more temperate and reasonable witness. He spoke with sincerity and candor. There was no insolence, evasiveness, or air of intellectual superiority about him. With a modesty and humility, unknown to "brain trusters", he testified in a straightforward manner, and his sense of fairness would impress any unprejudiced and impartial listener.

Why this unwarranted and unjustifiable attack on the Aluminum Co. of America? What has this corporation done to merit this blind censure? This is what it has done: 25 years ago, long before T. V. A. or Muscle Shoals were dreamed of, this private company, with its own and not the taxpayers' money, located on the Little Tennessee River to develop and utilize hydroelectric power in the manufacture of aluminum. Since that time, in 1910, this company has had from 10 to 75 engineers surveying 104 miles of this river and working on the engineering development of this region. This company has plans which comprise eight developments in western North Carolina and eastern Tennessee. The three dams already built and the three basins already developed are valued at \$40,000,000. The estimated cost of completion of this program is \$60,000,000, which will represent a total investment, when finished, of \$100,000,000 of private money.

The Aluminum Co. of America has employed as many as 4,000 men and are now employing 2,500. During the past quarter of a century it has built for the benefit of the people, churches, schools, hospitals, commercial buildings, employees' clubs, and recreational centers. The people there are satisfied, as their Representative in this House will tell you. They want this company to go on with its development program.

That program is today halted. It is threatened with paralysis. It is in danger of extinction. The Aluminum Co. has invested \$5,000,000 in its five undeveloped basins. Into the largest of these basins the T. V. A. has gone, and shown its black hand by purchasing, at an outrageously high price, two small pieces of land—12½ acres in one piece and 1,500 square feet in the other. These small tracts are 60 miles away from T. V. A., and obviously were deliberately purchased to prevent the Aluminum Co. from building its largest dam and to wreck its whole program. What American citizen will give his sanction to such nefarious practice? Will such perfidy maintain the confidence of the people in the integrity of government? What lover of liberty will countenance the blackjack methods of such brutal tyranny?

Mr. KELLER. Will the gentleman yield?

Mr. SHORT. Not now.

Mr. Chairman, because of my limited time there are many aspects of this problem which I cannot discuss today. I should like to point out in detail how the T. V. A.'s expenditures have far exceeded its estimates, and how its revenues have fallen woefully and pitifully short of its calculations. Perhaps those in charge of affairs are capable men, but it is

difficult for a "hill billy" from a great dairying district in the Ozarks to understand why the T. V. A. would pay \$372 per head for 25 dairy cattle a year ago, when the best sold in my district at that time for \$20 a head. I will not trifle with the jamming of cash registers at T. V. A. which accounts for shortages. I want to quote only one paragraph from the Comptroller General's report concerning disbursement exceptions:

The nature of exceptions established consisted of purchases without competition in violation of section 3709 Revised Statutes; emergency purchases unsupported by showing of emergency; modification of specifications; awards on basis of personal preference; dual compensation; excessive allowances and reimbursement of traveling expenses to prospective employees; payment of per diem at designated posts of duty; allowance of overtime to annual employees; allowance of charge for personally owned motor vehicles without prior authorization; overpayment on pay rolls; payment of pay rolls without administrative approval; subscription to newspapers and periodicals in excess of statutory limitations; payment for rented office equipment lost or stolen; payment for power plants, transmission lines, and real estate acquired without having clear title thereto; rent for land occupied by Civilian Conservation Corps camps paid at rates higher than for land purchased outright; lump-sum payments under cost-plus contracts and fees without original invoices and in excess of reported progress of work; claims paid for loss and damage to property; apparent overpayments on electric equipment under annual agreements; cost of reconditioning plant agreed by contract to be for payment account of losses; rent for buildings without evidence showing that payments are not in excess of 15 percent of fair market value; pre-audited certified vouchers increased and payments made to vendors in excess of amounts shown on invoices; allowances in expense accounts for bridge toll ticket books before such books have been used; loans to cooperative associations without security; hire of special conveyances such as busses and aeroplanes for visitors and students; and noncompliance with contractual provisions for insurance protection covering personal injury.

This, in itself, is sufficient proof of such discrepancies that if the T. V. A. is not downright dishonest it is guilty of gross negligence, incompetence, and inefficiency. [Applause.]

Certainly I should like to see every family in the Tennessee Valley enjoy the benefits of electricity, but at their own expense and not at the expense of the taxpayers in my district. Certainly I should like to see every home in eastern Tennessee, whence my ancestors came and where many relatives now live, enjoy the blessings of Frigidaires, radios, electric irons, vacuum cleaners, and all other electrical appliances. But I pause to ask this question: If the T. V. A. can take public money out of the Federal Treasury, money from the people of Missouri, Illinois, Michigan, Pennsylvania, and other States, to use in the Tennessee Valley in the development of hydroelectric power, in destructive and cut-throat competition with already existing private companies which have developed the country and in which the people themselves have invested their earnings, and which now have more than an adequate supply of power for the present needs, what is there to prevent the Federal Government from starting shoe factories in St. Louis and Brockton to drive out of existence private companies which now adequately serve the people? What is there to prevent the Federal Government from going to Detroit and operating a factory which will drive Henry Ford into bankruptcy? [Applause.]

This legislation, my friends, is false, fickle, flimsy, frivolous, and fraudulent. It is the opening wedge to state socialism, and since going over most of Russia in 1931 I must exclaim with the distinguished senior Senator from Virginia, Hon. CARTER GLASS, "My God! I am not surprised that we recognized Russia, but I am surprised that Russia recognized us." [Laughter and applause.]

If any Members feel constrained to vote for this legislation, which in my opinion is unwise, unsound, unconstitutional, and un-American, I hope they will vote for the House bill, for the House bill does curb the authority of these political parasites and dictatorial bureaucrats, whose greed for power is unlimited. The House bill provides that T. V. A. finances after July 1 next year will be subject to the same audit and control of the Comptroller General as is imposed upon other Government agencies. No honest board could object to this provision. Furthermore, the House bill prohibits T. V. A. after July 1, 1937, from selling surplus power

or chemicals below the cost of production. It likewise precludes duplication or construction of transmission lines paralleling those of existing privately owned companies. And, finally, it expressly forbids the T. V. A.'s acquiring lands not actually necessary to carry out plans and projects decided upon.

The Senate bill is impossible; and even with the improvement of the restrictions adopted by the Military Affairs Committee in the House bill, it is still bad. One cannot change the condition of a rotten egg. It can be fried, boiled, poached, or scrambled—but it still smells. [Laughter.] The original T. V. A. Act of May 18, 1933, should never have become law. Any attempt to improve it is like trying to graft healthy limbs or branches on the rotten trunk of a decaying tree. I am unalterably opposed to this legislation, because I feel it to be fundamentally wrong and basically unsound.

Mr. McFARLANE. Will the gentleman yield?

Mr. SHORT. I refuse to yield now, but I will yield after I get through.

Mr. McFARLANE. Mr. Chairman, a point of order. The gentleman is reading his speech. He ought to be able to make one without reading it.

The CHAIRMAN (Mr. CLARK of North Carolina). If the gentleman from Texas insists on his point of order, the Chair will put the question to the Committee whether the gentleman from Missouri shall be allowed to read his speech.

Mr. McFARLANE. If the gentleman will yield for a question, I will not insist on the point of order.

Mr. SHORT. I will yield to the gentleman after I am through. After the storm and the ship has been tossed hither and thither the mariner turns to his compass.

When this panic is over and the frantic moments of alarm are past, when we come out of our twilight sleep produced by new-deal lullabies, when we realize that Santa Clause will turn into Shylock to exact his pound of flesh for the gifts we now so freely receive, we shall then repent of the errors and blunders which we cowardly permit to be made today. Men will then be sent to Congress who will not display demagoguery by clothing themselves with righteousness and styling themselves "champions of the people." Paternalism will then cease and social regimentation will end. The individual will again be set free to live his own life, run his own business, do his own thinking, capable of regulating his own affairs, without governmental meddling or intervention. This is an American ideal, cherished by all patriots, regardless of party affiliations. No stronger words have been uttered on this particular point than the forceful language of former Democratic Senator, Hon. James A. Reed, of my own State.

I want to say for the benefit of my distinguished friend from Texas that this is my own speech, except this paragraph that I am about to quote.

Mr. McFARLANE. Who wrote it?

Mr. SHORT. Ex-Senator Reed.

Governmental paternalism and individual liberty cannot exist at the same time. Paternalistic government is necessarily oppressive. For Government to bestow benefactions upon a part of the people, it must of necessity wrongfully take the property of the rest of the people. That is robbery! Or, for the Government to regulate the business, the lives, or habits of the people, it must substitute for the free will of the citizen the command of those clothed with temporary power. That is tyranny! Such was the prerogative asserted by kings and emperors. If these principles are unsound, then the teachings of the fathers of the Republic are false, man is incapable of self-government, and liberty is a foolish dream; but, if they are sound, it follows that paternalism cannot be tolerated in the opinion of a free people.

[Applause.]

I now yield to my friend from Texas.

Mr. McFARLANE. Mr. Chairman, since the gentleman has admitted that he wrote the speech, I wonder how the gentleman could reconcile his position on this legislation with his known position on all other river and harbor legislation?

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. RANSLEY. Mr. Chairman, I yield 8 minutes to the gentleman from Pennsylvania [Mr. FOCHT].

Mr. FOCHT. Mr. Chairman, we have learned to comprehend the meaning of the new term "taking it." So, when the gentleman from Pennsylvania called upon me to make a few remarks, I am very glad to take my turn as a "pinch hitter." This whole debate has been a revival to me of a new window dressing of an old subject, very old. It had a remarkable champion here—that is, the Muscle Shoals proposition—in a former Member of this House, Judge Almon. Over a long period of years I admired his resolution and persistence and the final triumph of that fine old gentleman. I may be older than he was, but I think he grew old in appearance from the work that he did on this matter. What he did was this: He was able to carry this through on a point of merit. He so inveighed me into the matter that I was really enthusiastic about the idea that some of the farmers up my way, and in fact every way, were going to get some nitrates, and that we were going to contribute immensely to the success of the World War. Instead of that, we find the old story here just the same. Instead of producing nitrates, and instead of producing even anything, they are coming back here, returning, asking for more money.

I should like to have a few more minutes than the 2 or 3 that the gentleman from Pennsylvania has given me, because I should like to talk about several matters. For instance, there is our good friend Mr. RANKIN, who is obsessed with an idea. His idea is all right, but it does not apply here. This is not the place for the regulation of the rates of electricity for farmers out in the country or for your homes in the city. The gentleman from Mississippi is right in that rates should be regulated, but that is not what you are doing here, not even confiscating.

You are going to take the money, no matter how much, of the reserve wealth of America, which your grandfathers and mine laid away for the day of resistance against an outside attack. Mr. James G. Blaine once said to me, "Young man, we will not have a foreign war; we will have no war unless it comes from within." You are taking the reserve wealth that has been accumulated by the industrial States, if you please, and you are applying it to the production of something which will consume that very industry that gives you the money to exist. That, if it is nothing else, at least is unethical. You do this because you have the power through the vote and the President to put it over. I have looked this over for 10 or 12 years, and I actually voted for it originally on the representation made by the gentleman from Alabama, Judge Almon, that it was going to be of some benefit to the country. I do not know how much electricity they have in Mississippi, or how much this might supply them down there, but as for the rest of the country, you can go anywhere and find the farmer's house illuminated as well as his stable and barnyard with electric lights, and he is not overcharged for it.

So much power can be generated by a small dam that every power plant on the Susquehanna and the Juniata produced more than is needed, and even the Ontario Power Co., with the Great Trust Co. of Ontario back of it, had to be liquidated and refinanced. That is how much you can make. In other words, you are going to create down here something that you do not need. We have energy enough in the mountains of Pennsylvania, and in fact every township west of the Susquehanna River on through to Ohio and West Virginia and Kentucky will find energy enough to satisfy their communities. In Montana there is a seam of coal so great that the hydroelectric engineers have told me it would take 10,000,000 years for this population to consume it. So why come along at this time for this extra appropriation? I thought by this time you would have everything in operation and that the money would be returning to the Federal Government. Instead of that you are reaching out for more and more. I say to my friends from the South that there are plenty of rivers in the Carolinas that will supply all the power you want. I have friends who put a hydroelectric plant in those rivers, and you have them in the West. Let this go down into your hearts and souls, let

your intellect respond to this. This is not a partisan matter—this is common sense.

When I first came here we heard nothing much else but "pork barrel" for the Mississippi River, the wasting of money to lift the bottom of the Mississippi River up to prevent the floods that came sweeping down there devastating untold millions of acres of land. Take this money, my friends; let this subject alone, since you do not need it, but in the name of mercy go out on those rivers that are tributary to that great Father of Waters and put in the small dams to resist and restrain this water and you will create the greatest empire that was ever known in all the world, the Mississippi Valley. [Applause.] You have neglected it. You are neglecting it now. You will owe some penalty to someone if you pass a bill like this today and waste this money when there is such great need for it to save the lives and treasure that are out there in the Mississippi Valley. [Applause.]

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. FOCHT] has expired.

Mr. RANSLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. MITCHELL].

Mr. MITCHELL of Tennessee. Mr. Chairman, we have listened this afternoon to some rather remarkable discussions and arguments. I see no reason why we may not discuss this great problem freely and fairly, without prejudice or bias, and undertake to arrive as legislators at a proper solution of a great national question. There should not be anything sectional about it, with all due respect to my Republican friends who have spoken. I live in the great State of Tennessee but 75 miles from the nearest point that is involved in the construction of any of these dams. My Republican friend from east Tennessee has represented Knoxville and the Second Congressional District for many years. If there is any particular party politics in it the Republican Party, speaking as far as narrow partisanship is concerned, would be largely the beneficiaries of any development in east Tennessee at or near Norris, Tenn.

What are we doing here, and why this great question pending before Congress today? I want to say to my Republican friends and my Democratic colleagues that I do not defend unnecessary expenditure of the people's money. I want honest administration of every act that is put in force by this Congress. We are carrying on a great constructive proposition started during the World War at Muscle Shoals. About \$150,000,000 of the people's money was invested in Muscle Shoals, and in the Seventy-third and Seventy-fourth Congresses we fell heir to the proper administration of that fund to try to save it from salvage and wreckage.

Then why all this noise about what the Congress is trying to do? We seek to improve living conditions not only in Tennessee, my native State, not only in Kentucky, Alabama, and Georgia, but alike in 48 States of this great Union. [Applause.] What are we seeking to do? We are seeking to improve navigation on a great river that reaches 650 miles through these different States to which I have referred. I am here to tell you that what I want to urge on this Congress, and I speak to you as one sworn as you are, that I believe we need to deepen the channel of this great river. [Applause.] I believe we need to construct more dams for the purpose of flood control and navigation in that section of the Southland. I do not think of the South in a narrow partisan sense, because what affects the South affects the North. There is no longer any North, South, East, or West, but ours is a common people, a common cause, and a common destiny in which we are interested. [Applause.] What is the purpose of government? It is to render the greatest service to the greatest number of people.

The CHAIRMAN. The time of the gentleman from Tennessee [Mr. MITCHELL] has expired.

Mr. McSWAIN. Mr. Chairman, I yield 2 additional minutes to the distinguished gentleman from Tennessee.

Mr. MITCHELL of Tennessee. I thank the gentleman very much.

We are interested, my colleagues, if you want to put it on a commercial basis, although I would not cheapen it that

way, because we build for the future, and we owe much to the present and we owe a debt to those who have gone before us, but what we need to do is to stress flood control, navigation, and the yardstick to know what the price of electricity should be in America. I am not interested in defending the Aluminum Co. or any of the other trusts that come here. I only want to help the common men in America. [Applause.] If there have been mistakes made by those gentlemen who are administering this trust, let him who is without sin cast the first stone. Perfection does not come here below. It comes after a while. If the administrators have wrongfully expended money, I do not condone that. I would not say I would advocate the building of the towns and the many things that have been done, but I would not destroy the temple, because, perchance, there is a defective plank here and there in the building. Let us be fair about it. Let us be liberal and magnanimous. I hope we are liberal toward this great proposition. I am against the Power Trust. I am against the Fertilizer Trust.

The CHAIRMAN. The time of the gentleman from Tennessee [Mr. MITCHELL] has again expired.

Mr. McSWAIN. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. MAVERICK].

Mr. MAVERICK. Mr. Chairman, on yesterday I was impressed more by a speech made on this floor than by any other speech I have heard since I have been in Congress. That was the speech by the gentleman from Texas, Hon. EWING THOMASON. I believe the gentleman from Texas, my distinguished and able colleague, hit the nail on the head throughout his speech and gave all the necessary discussion of this question. His people back home should be proud of him, as well as the people of the Nation. All I can say is I believe every word Mr. THOMASON said in that speech, and I adopt his remarks as mine, if he will agree, as I feel unable to cover the subject as well as he.

Mr. THOMASON is one of the ablest leaders of my State, and I hope that as I take on a few more years I can develop his insight, ability, and character.

If only we all understood what he said, it would not be necessary for you to listen to me, because in spirit he has given the best explanation of the T. V. A., and has met the issues face to face.

Although I am really only interested in the economic issues involved in the T. V. A., I desire now to mention a few of the political angles of this subject, as well as some others we face. We Democrats split up on the holding company bill, as we had a perfect right to do. The Democrats who voted against the so-called "death sentence" voted for what they believed were the best interests of their stockholders back home. I did not happen to vote that way, having a different viewpoint, but others did, and they had a right to vote as they pleased. But in the case of the pending bill, however, we face an issue which belongs to the Democratic Party, which belongs to our people, and not only to all the Democrats but all the American people. The Tennessee Valley Authority is our measure; it is a measure in which we should have pride. The gentleman from Missouri referred to the "brutal tyranny of the T. V. A.", talked about "blackjack methods", and then referred to "the diseased and disordered brains of the new deal."

The new deal belongs to us; it does not belong to the Republican Party; and I feel that we more or less ought to stand together; that we ought not to admit that our brains are completely disordered. If we vote as the Republicans tell us on this issue, especially when we have the meritorious side, the truth of their statements might be suspected. I think we ought to stand together on this and certainly against these Republicans who say they are absolutely opposed to the whole T. V. A. and the philosophy of the Government behind it. We are either for this bill or against it.

The Republican minority report says frankly that they are opposed to the whole idea, the whole philosophy of government expressed in the act, and are, therefore, opposed to it in toto. They say in their minority report, no. 1372, Military Affairs Committee, page 37:

The philosophies, theories, and premises underlying the policy of this act which were dictated as a part of the program of the present administration are now well known to the American people generally. * * *

We do not now, nor have we ever, subscribed to the philosophies of government upon which the act now sought to be amended was based, and, therefore, would be opposed to the passage of the original measure were it before the House of Representatives today.

Now, as I said, I am in favor of the philosophy behind this act, and the original act says, in section 22:

* * * all for the general purpose of fostering an orderly and proper physical, economic, and social development of said areas; and the President is further authorized in making said surveys and plans to cooperate with the States affected thereby, or subdivisions or agencies of such States, or with cooperative or other organizations, and to make such studies, experiments, or demonstrations as may be necessary and suitable to that end.

And in the next section, which is section 23, it says:

The President shall, from time to time, as the work provided for in the preceding section progresses, recommend to Congress such legislation as he deems proper to carry out the general purposes stated in said section, and for the especial purpose of bringing about in said Tennessee drainage basin and adjoining territory in conformity with said general purposes:

- (1) the maximum amount of flood control;
- (2) the maximum development of said Tennessee River for navigation purposes;
- (3) the maximum generation of electric power consistent with flood control and navigation;
- (4) the proper use of marginal lands;
- (5) the proper method of reforestation of all lands in said drainage basin suitable for reforestation; and
- (6) the economic and social well-being of the people living in said river basin.

The purposes of the T. V. A. Act are very well set out and yet the ramifications of it and the wide-spread, coordinated benefits are not to be realized by those words alone.

On yesterday the able gentleman from Alabama, fellow member and vice chairman of the Military Affairs Committee [Mr. HILL], stated he expected to offer certain amendments. I believe that if we are going to have this bill at all we should have it in a proper and decent form, so that we really accomplish something for our country. The four amendments to be offered by the gentleman from Alabama are to be found on page 10791 of yesterday's RECORD, dated July 8, 1935, and I ask every Member to read them, because we want to bring out as perfect a piece of legislation as possible. I hope we will enact an effective bill and accept these amendments.

One of these amendments relates to surplus power. I am not going into that, because it is fully covered in today's issue of the RECORD. It is the first amendment that deals with surplus power. Then the gentleman from Alabama intends to offer an amendment which will do away with hindrance of the purposes of the T. V. A. by obstruction of litigation by the power companies of the country, and which will eliminate the litigation that would really ruin the T. V. A. program.

The second amendment to be offered by the gentleman from Alabama deals with the Comptroller General. They say that the Tennessee Valley Authority is contemptuous of Congress, contemptuous of this Republican Comptroller General, Mr. McCarl. That is not true; anyhow, the amendment to be offered by the gentleman from Alabama is fair, it is wide, it is comprehensive, and it fully protects the rights of the Federal Government and it is a 100-percent check on the T. V. A. by the Comptroller General. Were any of us operating a business—and this really is a business, even though it concerns the welfare of the people—we would want the managers to have the necessary latitude in order that they can conduct the business in a fair and proper manner, without unnecessary restrictions. Let me remind you that the amendment to be offered provides for constant auditing by the Comptroller General.

The third amendment deals with transmission lines; and then the fourth refers to the Aluminum Co., which owns property in the little Tennessee Valley. I never thought that even a Republican would champion the cause of Andy Mellon as against the people of the United States. I have nothing against Andy, but this amendment to be offered merely subjects the Aluminum Co. to reasonable regulations. We heard described the modesty and humility of this Aluminum man who came before the Military Affairs Committee, that he was

the representative of Andy Mellon, and that he was not a "brain trust"; yet we remember with what contempt our Republican brethren spoke of the Democratic Party and of those who were in favor of the T. V. A. The humility of this gentleman from the Aluminum Co. of America—someone praising Andy Mellon!—oh, well, that is something new in American politics; it is new for a Republican openly to praise Andy Mellon and to speak of the humility of his agents. It sickens one at the stomach.

I ask you to read and study these four amendments which will be offered by the gentleman from Alabama [Mr. HILL], which are fundamental and which we ought to adopt. If we are not going to adopt these amendments, we should kill the bill; kill it and let the \$100,000,000, more or less, we have spent on T. V. A. wash down the river and disappear; yes—let there be floods, and let our farms wash and blow away, and abjectly surrender to the special interests. No; we cannot do it! We must not only have the program, but make it better and wider in its scope.

Mr. ANDREWS of New York. Mr. Chairman, will the gentleman yield?

Mr. MAVERICK. No; I would rather not yield. You Republicans have lots of time, but I have not.

Mr. Chairman, the T. V. A. is a national program. It concerns soil-erosion control and all of the things that have been brought up here this afternoon. Some say it is socialism, some say it is communism, that this is a terrible and wicked thing that we are doing down there. In reply, I ask: Will the Aluminum Co. of America carry out a reforestation program; has it a reforestation program? Is it going to stop soil erosion and provide for the general welfare? Is it possible to leave to private business those functions of governments? Why, it is absolutely impossible. Is the Aluminum Co. or any utility company or private corporation doing anything in the way of preserving all of that territory that concerns six or seven States? Why, certainly not; and they cannot; it is not their legal or moral duty to carry on functions of government, nor can they be expected to.

Do you know that in 50 years vast portions of this country will be washed away, that it will flow away and wash away unless we adopt measures which are constructive and which conserve our natural resources? We have got to do this through the Federal Government; and this authority transcends State lines, concerns national flood control, navigation, and defense.

Yes; I say again the T. V. A. is a great national program. What is being done down there to save the soil for the people, to prevent floods from washing us out, to make rivers navigable, and put the power that is in the water to the use of the people, can be done all over the United States; can be done in any congressional district we represent. That is why T. V. A. is so important. This agency, created by Congress, is working out in a concrete way the methods of tackling these national problems. The methods that they are developing down there will be shared with all the rest of the country. If you let the enemies of this program hamstring, smear, and strangle it at this stage of the game, then there is no chance of having this same kind of program applied to other districts to meet the same kind of problems of the land, the water, and of power that affect the American people in their everyday life.

If T. V. A. were only for the benefit of these six or seven States, then maybe those of you who come from Texas, Iowa, Connecticut, Washington, and other States might not be so enthusiastic about it, but do not forget this is a national program, a national project. The Tennessee Valley is just the proving ground in which the methods are being worked out. Of course, it will benefit the valley States immediately, but the real point of the T. V. A. program is that it is going to share these benefits with every section of the country.

You see, the Republicans have now become "grass rooters", but they openly oppose the prevention of soil erosion; they do not favor protection of the soil, flood control, reforestation, or the proper use of marginal lands. They demand all this be stopped. If we Democrats keep the grass growing by

not letting the soil wash away—and by having fine grass—the roots will take care of themselves and we will walk into office on the greensward and our Republican brethren shall be swallowed up in clouds of dust and of locusts. Yea, verily, Of course, I speak of the Republican minority report; I do not know whether it represents the whole party or not. All Republicans, however, who believe in conservation, who prefer self-respecting work to a dole, and who think self-liquidating projects are better than money wasted are invited to vote for the bill and certain amendments that will be offered.

I will admit that the issue is power, but are we to go ahead and construct flood-control projects, navigation projects, and dams and let the water wash over and waste all that power? This would be nonsense; worse, to do so would be utterly criminal; we would be wasting the people's money. The reason this is a great program is because it has self-liquidating features, at least as to the power phase, and we can get some of our money back. They can call it any kind of "ism" they want to, they can rattle the bones of our ancestors and call on Thomas Jefferson, who would not recognize a lot of people who use his name in vain, but that is not the answer to our problem. When our forefathers came to this continent they had at their command illimitable natural resources. When they were robbed out of one place they went to another; and, of course, the migration has always been westward. What has happened in this country? Resources are now in the hands of a few people, a few corporations. For instance, in the little Tennessee River territory these resources are in the hands of the Aluminum Co. We do not propose to take away the rights of the Aluminum Co.; all we want, as I said before, is reasonable regulation and coordination for prevention of floods.

Yes; our resources are in the hands of these few people; but I believe the American people are entitled to the water and the land, and the strictly natural resources, if nothing else.

What is proposed to be accomplished by this bill? It is proposed to protect the interests of the American people in these six or seven States; to reduce electric rates; to preserve and fertilize their farms; to prevent floods—and this program will eventually be national, and is even now becoming a great national asset.

It proposes to set up a yardstick; it proposes really doing something of a definite and constructive nature for the American people. It is not like spending relief money and not getting anything back when you have spent it. This is something that is building up our country and something in which we ought to have pride. The money spent for and in the Tennessee Valley is for self-respecting, hard, honorable, constructive work.

Mr. Chairman, they talk about the constitutionality of this bill. I do not believe there is any doubt about the constitutionality of the bill at all. Its various functions have been pursued under the Constitution for generations in other endeavors. This is a proper function and duty of the American Government. The statement has been made that when this was first started it was an experiment. Of course; but it is not now. It is not itself an experiment, having already proved successful in its main objectives, although they are carrying on experiments down there all the time, just the same as General Motors or other great corporations, not for the profit of a certain group of individuals but for the benefit of all business men, farmers, chambers of commerce, organizations, and citizens of the United States of America. These are a few of the benefits of the T. V. A. Then, as I said before, it is a self-liquidating proposition. [Laughter.] Mr. Stenographer, put down in the RECORD there were three Republicans who laughed and thought that statement was funny—three friends of the special interests and the power companies, men who are so superficial as to yammer and giggle in the consideration of so serious a matter.

Mr. McLEAN. Will the gentleman yield?

Mr. MAVERICK. I have not the time to yield, and I do not want any of the gentleman's time.

Mr. McLEAN. Does not the gentleman think it is funny to think about this as being self-liquidating?

Mr. MAVERICK. Mr. Chairman, I did not yield to the gentleman, so I want to be given credit for an extra minute or two, but his question may be left in the RECORD. But, I think it serious, not humorous, and view my duty as such. It has been shown in long tables of figures that the power program will be self-liquidating and will give cheap and abundant power to millions of people.

Now, a slaughterhouse has sense enough to use the by-products of a cow or bull. We ought to have sense enough to use the byproducts of water as it goes over a dam. I most respectfully suggest that Congress ought to have that much sense; we should observe, at least, the practices of butchers—save our byproducts—but let us not butcher our own program.

Permit me to say another thing. The statement has been made that this was started as a national-defense measure. I am not willing to go to war and kill off our young men just to prove that this is a matter of national defense. We have better use for our nitrates. Let us use them to fertilize the fields of peace instead of the fields of war with the bodies of our people. I think one of the best forms of national defense is to have a clean, decent, well-clothed, and well-educated group of human beings with plenty to eat living in this country. Then they have something to really fight for. This will constitute the best form of national defense; and if we have to go to war with any nation we will have a strong people to do the fighting, who in the meantime have preserved their natural resources.

Mr. McSWAIN. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. FORD of California. Will the gentleman yield?

Mr. MAVERICK. I yield to the gentleman from California.

Mr. FORD of California. The gentleman referred to the speech made by the gentleman from Missouri [Mr. SHORT]. I think his description of the rotten egg, which whether fried, scrambled, or boiled is still a rotten egg and smells to high heaven, was the best description of the Republican Party of which the gentleman is the sole representative from the great State of Missouri that has ever been uttered on this floor.

Mr. MAVERICK. I think his description of the Republican Party was very good. It is scrambled hopelessly and can never be unscrambled. Let us Democrats be progressive, look out for the rights of the people, and not get ourselves off the right track.

Before I close let me mention those cows and cash registers and typewriters and other things which the enemies of T. V. A. seek to magnify. Our critics look with horror on the purchase of a few cows at high prices. As I have said before, this is nothing but gnat-slapping, fly-swatting, and just ordinary tick-picking. This criticism is not worthy of men who understand the greatness of this project. It is an infinitesimal item as far as cost is concerned, but personally I do not see why the South should not proceed to raise the level of its herds, as has been done in Wisconsin and Minnesota. I am glad that the Wisconsin and Minnesota delegations are nearly all for this project, although they know it will improve the breed of cattle in the South.

My colleagues will not forget that T. V. A. was begun in June of 1933, when it had three employees and a gigantic job to handle. In less than 2 years it had 16,000 employees and had one dam three-fourths finished, a second dam half finished, and a third dam well begun. It had built a new fertilizer plant which has produced 35,000 tons of a brand-new kind of cheap phosphate fertilizer and had planted hundreds of thousands of trees, prevented soil erosion on thousands of acres of land. The American people demanded action and they got it. This is one governmental activity that is a 100-percent success. Here is one agency that has worked successfully, accomplishing substantial results, with more to follow, and how anyone can stand here and talk about cash registers and other picayune things, I cannot see. It is like bawling out a general who has won a great victory

against the enemy because some of his men do not have their buttons polished nor their hair combed according to rules and regulations.

There have been mistakes in the T. V. A., of course. Some mistakes of policy, a few errors here and there, but I am astonished by the fact of its high purpose and the few real errors that have been made in comparing it with ordinary business, especially some of the big ones; the comparison is very favorable.

Let us sum up a little the T. V. A. It is the greatest project in America, comparable to many others, but on the whole I believe the greatest. It will become, if we give it sympathetic consideration, self-liquidating and will hurt no individual and no business. It will help in national defense—I mean in peace as well as for the war that I hope will never come; it will provide a higher standard of living for the people of six or seven States directly, known as the "Tennessee Valley"—probably 6,000,000 people—and indirectly, by example, and directly later by similar projects, to all the people of the United States. It will improve the condition directly of 26,000,000 acres of farm lands; it will dam our rivers, save millions of dollars each year on flood control, and numberless human lives; have ordinary agricultural conservation of resources and fertilization of lands for better crops. It will provide cheap hydroelectric power, giving a return to the Government and some leisure to millions of overburdened people.

And the South will be proud of this great achievement—and the North will be proud, I think, of the South—and all the Nation—North, South, East, and West—will be proud of similar great projects; we will have national pride in our unified endeavor.

Why waste power when we can use it? I doubt if our platform suggested the wasting of power or if any such thing was ever suggested by Thomas Jefferson.

I have no idea what Thomas Jefferson said on hydroelectric power, for all the people knew of electricity in those days was a key sent to the sky by Benjamin Franklin; but I do know that Thomas Jefferson was in favor not only of technical scientific advance, but in favor of political scientific advance; that he always opposed monopolies, ignorance, intolerance, and greed; among other things, he favored great cooperative movements for proper farming and soil conservation. Again I have not the intuitive ability of some of my friends, and do not know exactly the mental reaction of Thomas Jefferson, for he is dead. I think he would like, however, to see this project and would like to stand on the highest dam of them all and explain what he meant by saying: "Those least governed are the best governed." For, undoubtedly, he meant, as he surely did, that if men had the resources to work with as they did then, and have not now, and as is possible under this bill for the return of the resources to the people, that few laws will be needed to regulate men's morals or keep them from committing crimes, because if they are working on dignified and honorable projects, such as this—and not on the dole, hopelessly watching their country wash away—that few laws will be necessary to regulate their lives.

Mr. RANSLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. PEARSON].

Mr. PEARSON. Mr. Chairman, we are to take up for consideration today the bill reported by the House Committee on Military Affairs pertaining to Tennessee Valley Authority. There is no matter of more importance to my district or as a matter of fact to the people of the United States than this Government agency and its welfare. For 6 months I have served as a member of this body and up to the present time out of deference to those whom I felt were better qualified to speak authoritatively on matters of public concern I have not undertaken to inject my personal views into the many illuminating and instructive debates which have taken place on the floor of the House. I call your attention to this in order that you may know that only a matter which is of impelling interest and importance to my people would cause me now to abandon my early resolve to serve my apprenticeship as a legislator as a good listener

rather than one who might appear to be an ill advised or poorly informed debater.

I happen to represent a district that lies wholly within the trade area known as the Tennessee Valley. In fact the Tennessee River touches as many counties and affects as much, if not more, territory in my district than it does of any other Member of this Congress. The Tennessee River is the eastern boundary line of my district from the southern border of Kentucky to the northern boundary of Mississippi, across the full width of the State of Tennessee.

I know something of the history of this river and the Tennessee Valley, something of the hardships which the people who love that region and who have spent their lives there trying to earn a living have suffered, and I share with them the dream of hope which the creation of the Tennessee Valley Authority 2 years ago brought to them, and the fruition of which is not far distant if we can command a sympathetic ear from each of you who is in a position to assist in the completion and consummation of the ambitious program which lies ahead. Every Member of this Congress who is interested in the conservation, the utilization, and development of the natural water power in this Nation should be interested in the continuance of the Tennessee Valley Authority and in giving it unhampered and unrestricted power and authority to exploit and harness the hitherto sleeping potential power of Tennessee. It is blazing a trail and chartering a course for future conservation of the natural water powers of America, and every section of our Nation will some day enjoy the blessings and benefits which will naturally follow from such experimental activities.

It is a matter of considerable disappointment to me that the Committee on Military Affairs failed to take favorable action on what is known as the "Norris bill", or Senate bill 2357, calculated to clarify and define the rights, duties, and powers of the Authority and give it an opportunity to proceed with its work in an orderly way and to accomplish its ultimate objectives. I have no quarrel to invoke with or criticism of the members of that committee who were unwilling to support this bill. I think they are absolutely sincere in their position, but I am convinced that some of them are laboring under a misapprehension as to the aims and purposes of the Tennessee Valley Authority, and particularly as to the effect which its program will have on certain private industries.

I regretted very much that in the recent debate on the holding-company bill the opponents of the bill passed by the Senate to regulate holding companies in the utilities field, and which was sought to be substituted for the House bill, based their attack upon it on the assumption that the Government, in creating the T. V. A. and utilizing the water power of the Tennessee River, was proceeding in a manner inimicable to the welfare of privately owned power companies. This is in deed and in truth an erroneous assumption and, except to the extent that it will require power companies to deal honestly and fairly with those whom they serve, it is an argument without justification or foundation. I want to disabuse your minds, if I can, of the belief that the expansion of the program of the Tennessee Valley Authority is going to seriously injure private industry and eliminate at the outset from the consideration of the bill before us any such misleading argument.

We hope and expect to amend the bill now being considered so as to accomplish something for T. V. A. rather than "hamstring and hogtie" its activities, as is sought to be done by the bill brought out by the committee in lieu of the Norris or Senate bill. The only possible reason for not so amending it is the time-worn argument that the Government of the United States is, by reason of its sponsoring T. V. A., strangling and impeding private industry, namely, the power companies. I say to you unhesitatingly and unequivocally that this is not true, and my statement is based upon facts, not upon hearsay, rumor, or biased opinion.

In the first place, the Authority is dealing fairly with all competitive companies affected by its program and in no instance has it taken advantage of a single company, either in the matter of fair rates or in negotiations for privately

owned properties. The fact is that the principle of reasonable rates for electric energy, which T. V. A. as the trustee of the people in the sale of the public property placed in its hands, has and is insisting upon, has proved to be beneficial to the privately owned power companies as well as their consumer customers. This is not a theory; it is a result. I cite one concrete example. One of the largest power companies doing business in the Tennessee Valley is the Tennessee Electric Power Co. Of all the companies one might mention I think it is the one affected the most by the program of T. V. A. If this program is destructive or its policies ruinous, this company should and would be the first to realize it. In January 1934 this company entered into a contract with the Authority which provided, among other things, that the company would reduce its rates for electric energy approximately 20 percent. At that time this reduction was thought to be unfair and unjust and the company was loath to make such an agreement. The results were amazing. During the year beginning May 1934 and ending May 1935 this same company became known as the leading utility company in the entire country in the opinion of men who understood the business of the utility. During the spring of 1935 the Edison Electric Institute awarded this company the medal for the finest record made in the United States during that year's operation.

Practically the entire loss in its revenues accruing as a result of the reduction of its rates was recovered during this one year. The net result of the reduction was an unprecedented increase in the consumption of power and an increase in the use of electrical equipment. It is estimated that more electrical equipment was installed by its customers than those of any other company in the history of the country in a similar period of time. The consumers of that company accepted the reduction in the usual and expected way. There was an increase of 200 kilowatt-hours per year per customer, as compared with an average increase per customer throughout the industry of about 35 kilowatt-hours per year. And so in the language of one of the directors of T. V. A.:

Here again in the case of a private utility you have the same principle of the T. V. A. yardstick at work, and while the rates of the company are not as low as the T. V. A. rates, you have in a considerable measure the same kind of benefits—benefits to consumers in greatly increased use of electricity and electric equipment; benefits in the stimulation of industry in a remarkable demand for those durable goods; and, finally, benefit to the utility in maintaining its gross revenues and broadening the base of its business by developing greater use by a greater number of consumers.

The time has come when the controversy about electric rates should cease on the ground of theory. The test of the T. V. A. principle is a test of results. And the results prove that the T. V. A. plan works.

Now, Mr. Chairman, the T. V. A. has been in existence a little over 2 years and it has reached a crucial point in its history. The attitude of this Congress may determine the success or failure of its efforts, and I wish I had Paul's power of persuasion in presenting the merits of the case to the membership of the House to the end that they might see the situation as I do.

The Authority was created for the fourfold purpose of promoting the national defense, agricultural and industrial development, improved navigation of the Tennessee River, and control of the destructive flood waters of the Tennessee and Mississippi Basin. The value of its work in matters of national defense can only be determined when the unhappy occasion arises. I think, then, its usefulness in this respect will justify its existence, although I sincerely hope its psychological effect will prove more useful in preventing a war than its aid in winning one. It is already proving its worth in aiding agricultural and industrial development, and if permitted to proceed uninterrupted in its great human program the Tennessee River will be open to full navigation for the benefit of all of the Middle and South Atlantic States and the perennial menace of overflows, dealing death and destruction, will be a thing which the present and future generations may be permitted to forget.

The time is not far distant when it is going to be the means of the rural electrification of all the countryside in the valley. Already it is bringing relief to many in this respect. Let me tell you of just one instance. Down in one small county on the river there are many farms within calling distance of Wilson Dam and throughout the years the water has gone over the dam while the occupants of these farms lived by the light of coal-oil lamps or in darkness and faced every day the many unpleasant drudgeries of farm life, not knowing that a few miles away was being wasted every 24 hours enough power to bring to them many of the luxuries of life if it were utilized. In all the valley 2 percent of farms have electricity and in all United States only 10 percent have it. The T. V. A. sought to aid them. They sent out 185 questionnaires to as many farmers and received 185 answers. These answers were from dirt farmers, not city dwellers farming by proxy—just ordinary farmers. Their desire for aid brought electric lines to them. Out of this group 148 today are using electric irons, 142 radios, 34 electric refrigerators, 26 water pumps, 13 electric stoves, 76 water heaters. They wired their homes, installed plumbing, grist mills, tool grinders, and so forth. In short they have been enabled to better their conditions, and to make of their homes no matter how humble veritable palaces of happiness and pleasure. We have waited ever since Franklin flew his kite for private dispensers to make it possible for people far removed from larger centers to enjoy these comforts. It finally remained for this Government through T. V. A. to do the job.

The authority of T. V. A. to complete this task has been challenged by a recent decision of a United States district judge of Alabama. Its future in view of this decision hangs in the balance and in order to protect the investment of \$50,000,000 already made to meet the decision and give it powers which the original act creating it did not expressly give, I appeal to every Member of this House who has a sympathetic interest in the farmers of America, a kindred feeling for suffering victims of the uncontrollable overflows of our great rivers, and for the millions who are looking to us to see to it that they be permitted to enjoy the comforts which can only be found in the use of electrical current and equipment at reasonable rates to help us in adopting the provisions of the Norris bill and defeating the bill as written and reported by the House Committee on Military Affairs. The bill in its present form will make matters worse than if we enact no bill at all. [Applause.]

Mr. McSWAIN. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from New York [Mr. MERRITT], a member of the committee.

Mr. RANSLEY. Mr. Chairman, I yield the gentleman from New York 5 minutes.

Mr. MERRITT of New York. Mr. Chairman, I happen to be one of the 13 Members who voted a favorable report on this bill under the able guidance of our distinguished chairman, and I wish to take this opportunity of saying it has been a pleasure for me to serve on this committee under such a fine gentleman as my colleague from South Carolina [Mr. McSWAIN]. [Applause.]

I may say, Mr. Chairman, I do not own any public utility stocks. However, I am interested in this bill to the extent that there are some amendments that should be inserted in the bill in order to make it the kind of Tennessee Valley Authority we expect it to be. One amendment in particular is one that will finally put the Tennessee Valley Authority under the jurisdiction of the General Accounting Office. I sincerely trust that when the proper time comes an amendment will be offered to strike out "1936" in line 16, on page 12, and insert "1938."

My experience before coming to Congress proves to me that putting this under the jurisdiction of the General Accounting Office would certainly tie up the things we are trying to do for the benefit of everyone in this country of ours. If you had to replace a \$12 shovel it would be necessary to get three bids, submit them to Washington and send them back with a bid that would be acceptable to the Au-

thority and to the administration here. This in itself would certainly mean a loss of time.

I sincerely hope that the committee will give this matter very serious thought, to the end that this great project may be carried out to its finest fulfillment.

I am sorry I must disagree with a member of the committee, the gentleman from Missouri, in regard to national defense and, Mr. Chairman, for fear that some member of the committee may prevent me from reading something I ask unanimous consent to read an extract from the hearings held before the Military Affairs Committee during its consideration of this Tennessee Valley Authority measure.

The CHAIRMAN (Mr. CLARK of North Carolina). Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MERRITT of New York. This statement was made by Dr. Morgan, of the Tennessee Valley Authority, at the time I asked him something about national defense. I think national defense is of the utmost importance in connection with the Tennessee Valley, and I am quoting from Dr. Morgan's testimony:

Dr. MORGAN. There are several respects in which the work of the Tennessee Valley Authority corresponds or is in line with work for national defense.

Nitrate plant no. 2 was a war-constructed and war-developed proposition. We are now, as directed in the act, keeping that in stand-by condition, so that it can be used at any time.

We are developing phosphates. Phosphates are a staple war material, and there is this about phosphates, about fertilizer feeds used generally, that farming can go without them for a few years; that is, it is a kind of production that can be stopped for domestic use at any time and put to other use, and we are developing two methods of phosphate production, especially with this in view, that the phosphate fields of that area have a relatively small amount of high-grade phosphate and a relatively large amount of low-grade phosphate that is generally destroyed in the process of production, or ignored.

We are working out methods of producing phosphorus from those low-grade phosphate rocks. There is at least 10 times as much of this low-grade phosphate as there is of the high grade, and if we work out that method we will very greatly increase the phosphate resources of that region, and for whatever use they are to be put to, and, as I say, phosphorus is a thing that you could take out of domestic use entirely for a year or two without any calamity. There would be a gradual deterioration of farm values, however.

Now, we are also exploring that region for new phosphate beds, and we have found phosphate deposits that require different treatment from the standard class, and we are working at the character of that and at the chemical processes necessary to develop them.

Then we are making a study of the mineral resources of that region, that will make us less dependent upon other nations. About 90 percent of the manganese used in this country comes from abroad. Manganese is as essential in steel construction almost as iron itself, and yet we get 90 percent of our manganese from other countries, from Russia and Brazil.

We have in this region some hundreds of deposits, 300 or 400 deposits of manganese. During the war they were operated to some extent, but few of them were known.

Our geologists are going over that country and locating these deposits, and making a study of their character and of how to reduce those manganese ores.

We think that some of them we can use under even present competitive conditions, and produce manganese from them, but a large number of them are scarcely on a level, when you consider economy of production, with those that we can get from the outside, but we are locating the deposits, and we are developing the power with which those deposits can be reduced to manganese, and we have got the whole set-up working today, so that if at any time the manganese supply should be cut off from the United States, we could quickly open up these deposits and make the United States nearly independent of other regions in the matter of manganese.

[Applause.]

[Here the gavel fell.]

Mr. McSWAIN. Mr. Chairman, I yield 10 minutes to the gentleman from Tennessee [Mr. McREYNOLDS].

Mr. McREYNOLDS. Mr. Chairman and members of the Committee, I appreciate very much the time the gentleman from South Carolina has given me in this discussion. I did not want to take any time from the members of the Committee, but for the moment they seem not to be present. There is no one more interested in this great project than I am, and also the members of the delegation from Tennessee.

There are three men from our State who have not had the opportunity to participate in the general debate, and I speak for them; that is, our worthy Speaker [applause], the gentleman who sits in front of me [Mr. CHANDLER], and also the Honorable JERE COOPER.

I am surprised that men in this debate especially opposed to this proposition have shown the feeling that they have, and especially those on the Republican side.

I was surprised at my good friend from Kentucky [Mr. MAY] on yesterday. I say my good friend, and I am his friend. I told him today that he got so hot that he was really impudent to us. I do not know what stirred him up so much, except what he said here on the floor the other day, and that was that it might spoil the coal interests in his district.

Mr. MAY. Will the gentleman yield?

Mr. McREYNOLDS. I yield to the gentleman.

Mr. MAY. I want to say that anything my friend the gentleman from Tennessee says, or anything that may occur will never mar my friendship, love, and respect for the gentleman from Tennessee.

I would like to say this: I am not opposed to the development of the Tennessee River for the constitutional functions of the Federal Government. I am still for that, and I want to see it navigable from the head to the mouth.

Mr. McREYNOLDS. I appreciate very much what the gentleman says and assure him that I have the same feeling for him. But the gentleman is afraid that it will spoil the coal interests in his district.

Mr. MAY. I am. Every time you produce 10 kilowatts of electricity you put out of business two coal men.

Mr. McREYNOLDS. I am not alarmed about the coal business; neither is the gentleman from Tennessee [Mr. TAYLOR]. We represent districts that have more coal mines than any other districts in the State of Tennessee.

This is an administration measure, and had it not been for the administration your coal mines, in my opinion, would have been closed today [applause] and your miners would have been on the relief rolls.

I rather think that these are selfish interests. It is that spirit that says, "I want my people especially protected, but I do not want yours aided."

My friend from Kentucky reminds me of the old man who got down to pray, and he said, "O Lord, bless me and my wife, my son John and his wife, us four, and no more." [Laughter.]

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. McREYNOLDS. I am sorry, but I have not the time. Mr. Chairman, this is in rather a peculiar situation. No one has fought harder for the development of the Tennessee River and this legislation than the chairman of this committee [Mr. McSWAIN], and I appreciate it. I have followed this for years. This is not the bill that the chairman wanted, but he brought this out because he had a tie-up in his committee, and he felt it proper that he should stand by the bill as it was reported out; but, remember, the greater number of Democrats on that committee are standing by the amendments that will be offered by the gentleman from Alabama [Mr. HILL], if I am not improperly advised, and I appeal to you Democrats to stand by those amendments when they are offered.

I am sorry to see partisanship enter into this, but it has always been so ever since we have been trying to get Muscle Shoals disposed of and the Norris Dam disposed of. It was opposed by the Republican side, and I see my friend from New Jersey [Mr. McLEAN] sitting back there. A few days ago I came on the floor just as I heard him say that the gentleman from Tennessee [Mr. McREYNOLDS] looked up his record in Martindale, and tried to hold him up to ridicule in this House by handing it to the gentleman from Mississippi [Mr. DUNN]. I do not know that it is ridicule to ask a gentleman on the floor about an advertisement that he has as a lawyer placed in Martindale, and, my dear sir, it was not done for that purpose. I did not know the gentleman's background.

I was entitled to know his background. As a good lawyer, whenever he has an adverse witness before him, always makes inquiry as to who the witness is, his mode of living, and so forth, and the gentleman's action before this House that day, when he was confronted by the gentleman from Mississippi [Mr. DUNN], was rather embarrassing to the rest of us, because we meant no reflection then upon him. But the gentleman stated that he was a lawyer for public utilities and that is no reflection upon him as a lawyer.

Mr. McLEAN. Mr. Chairman, I submit that the gentleman from Tennessee is not addressing himself to the question before the House, and I make the point of order.

Mr. McREYNOLDS. I am addressing my remarks clearly to what the gentleman said the other day.

The CHAIRMAN. The gentleman from Tennessee will proceed in order.

Mr. McREYNOLDS. I shall be just as much in order as I know how, and I believe I know how, but I want to carry that a little further. I say now that I mean no reflection and I meant no reflection then, but do you not need to know the basis of a man's thinking?

Mr. McLEAN. Mr. Chairman, I make the point of order that the gentleman from Tennessee is not addressing himself to the matter before the House.

The CHAIRMAN. The rule is that the speaker must confine himself to the bill, and not indulge in personalities.

Mr. McREYNOLDS. The question in this House is whether or not you are for public utilities or against them. Take those who speak for public utilities. We consider the basis of their thinking.

Mr. ANDREWS of New York. Mr. Chairman, will the gentleman yield?

Mr. McREYNOLDS. Yes.

Mr. ANDREWS of New York. A few moments ago I understood the gentleman from Tennessee to intimate that the chairman of the committee [Mr. McSWAIN] is not in favor of the bill which the committee has reported.

Mr. McREYNOLDS. I did not say that. I said this, and I say it frankly. If the gentleman from South Carolina had been able to bring out the bill he is in favor of, it would not have been this bill.

Mr. ANDREWS of New York. I might add that the bill which we have before us today was originally written by three members of the committee, all of whom are Democrats. To be sure there were some amendments—

Mr. McREYNOLDS. Oh, the gentleman must not take up my time.

Mr. McSWAIN. Mr. Chairman, will the gentleman yield?

Mr. McREYNOLDS. Yes.

Mr. McSWAIN. I think it would be better for all parties to let the chairman of the committee speak for himself.

Mr. McREYNOLDS. I am sure that is so, but I am sure that I have not misrepresented the chairman.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. McSWAIN. I yield the gentleman 3 minutes more.

Mr. McREYNOLDS. Mr. Chairman, there is no reason for partisanship in this. I voted for dams and for canals all over the United States, and gentlemen here know it. This is a great development of the South, not only because it carries the name of the Tennessee Valley, but six States are directly interested. It is not a local project, it is national, and the men who run that Commission are not local, and the men who are employed in the offices as auditors and comptrollers come from every State practically in the Union. I happen to know the assistant comptroller comes from Washington.

This is the President's dream. It is the dream of the Southland, and I appeal to you as Members of this Congress to put these amendments that I have referred to into the bill and not hogtie us, which you will if you adopt the bill which has been brought out. I appeal to you, my friends. I appreciate, and we from the Tennessee Valley and from the Southland appreciate the situation; and I appeal to you who are interested in the development of the Nation, because you all know the development of one section with

transportation and means of communication means the progress and the good of the whole Nation. I thank God that I have no sectional feeling in my heart for any part of the country. I am for my country, and I stand behind our President, Franklin D. Roosevelt, in a desire to make it what it should be. [Applause.]

Mr. RANSLEY. Mr. Chairman, I yield 10 minutes to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Chairman, ladies and gentlemen of the Committee, as stated the other day, I have never in my life represented any utility company as its lawyer or agent. I have never owned any stocks and securities in any utility company.

I favor the locking and damming of the rivers of this country where feasible and necessary to provide for the Nation's defense, for flood control and the development of power, but with due regard to the necessity, feasibility, and economic value of the undertaking. I am opposed to the Federal Government's owning and operating utilities. When I entered Congress in 1919 we were urged to vote \$50,000,000 to finish the great dams and power plant at Muscle Shoals. The Government had spent approximately \$100,000,000 to develop the dams and power plant at Muscle Shoals. Its purpose was to make explosives and help win the World War, but the war ended without Muscle Shoals contributing any help whatever. When I came to Congress we were told that if we would appropriate \$50,000,000 a great fertilizer plant would be erected and operated at Muscle Shoals, and this would provide cheap fertilizer to the farmers of the Nation. It was pointed out that the farmers were being oppressed by the great fertilizer concerns. This \$50,000,000 was appropriated, Muscle Shoals completed, but up to this time it has not made and furnished a single pound of fertilizer. That additional \$50,000,000 was secured because it had the backing of the various farm organizations of the country. About that time Henry Ford came along and suggested that if we would turn over to him Muscle Shoals he would pay us \$5,000,000 for the investment, and if the Government would loan him the \$50,000,000 necessary to complete Muscle Shoals he would pay it back in 50 or 100 years and pay interest at the rate of some 2 or 3 percent. Our friends in the South, who are now whooping it up for T. V. A., thought they had found a "mare's egg." We voted some 2 or 3 times in the House to let Henry Ford have it. He finally backed out, and the Government has had an investment of \$150,000,000 in Muscle Shoals. It has produced a little power but no fertilizer. It has been the great "white elephant" of this Government.

T. V. A.

Mr. Roosevelt was elected President, and in 1933 a movement was put on foot to create the Tennessee Valley Authority—T. V. A. It was to construct some dams at Norris, Tenn., and other places, and make a hook-up with Muscle Shoals, produce fertilizer, protect soil from erosion, aid navigation and the national defense, and the T. V. A., one of these big, overgrown bureaus, set in, and they have already spent \$121,000,000. I am not objecting to the building of the dams and the improvement of navigation and the aid, if any, to the national defense, but this T. V. A. is going beyond the authority granted to it; it has gone into the poultry business—paid \$500 for a rooster. I do not know of any rooster anywhere that would be worth \$500 unless it is the Democratic rooster. [Applause.] It paid \$1,500 for a jack, and sold the jack for \$500. It bought 25 head of milk cows and paid on an average of more than \$350 per head. It built a park and spent about a million dollars of the taxpayers' money. It has built a lot of tourist cabins at a cost of about \$5,000 apiece to rent to tourists. It has built a city costing \$3,500,000. It has constructed a number of big, fine highways costing millions of dollars. When these dams are once constructed there is no need of a city of brick and stone, there is no need of this great number of highways leading to this dam. I am advised that 20 men will be able to take care of the dam, yet they built a city that will take care of several thousand people. Congress has no authority to delegate the power to anyone to engage in the poultry,

the dairy, tourist camps, and other like businesses, and to be paid out of the pockets of the taxpayers of this country. The T. V. A. ought to be confined to its legitimate and legal purposes.

President Roosevelt favors the Senate bill. The Senate bill turns this crowd loose to squander and waste the people's money on almost any sort of whim that may enter the "brain truster's" head. The House bill before us puts some strings on T. V. A. It is said that the T. V. A. is to be a yardstick to find out what it costs to produce electricity. The House bill requires this T. V. A. to keep books subject to the Federal Accounting Office so that if we are going to try to find out what it costs we will know what it does cost the Government to produce electricity, and it forces this T. V. A. to confine its activities to building dams and not engaging in the poultry and dairy business or in the sale of electricity. Private industry can carry on the poultry, dairy, and electric power business. Fifty years of experience shows that light, heat, and power, on the average, in municipal and Government plants costs consumers 15 percent more than in private plants; and the taxes are 50 cents higher on the average in cities and towns with municipal plants than they are in towns with private plants. I have never seen any business yet owned and operated by the Government that did not cost more and was less efficient than where it is privately owned. Furthermore, you cannot keep politics out of anything that the Government owns or controls.

Some of you speak in rather a scornful manner about my distinguished colleague and friend from Kentucky [Mr. MAY]. Mark my word, before 1937 there will be a lot of you Democrats in this country who will wish that the man in the White House and the Hopkinses and the Tugwells and the Wallaces had stuck to the old-time Democratic policies and had stuck to the Constitution, as has the gentleman from Kentucky [Mr. MAY]. [Applause.] I commend his courage and resolution. [Applause.]

What is this for? According to the information I have received, it is this T. V. A. Bureau running wild. They paid \$500 for a rooster. [Laughter.] A rooster! What kind of rooster did they get?

Mr. MAY. That was not even a Democratic rooster.

Mr. ROBSION of Kentucky. As the gentleman from Kentucky says, it was not even a Democratic rooster. This is the only rooster I know of that is worth \$500. [Laughter and applause.] Fifteen hundred dollars for a jack, and then they sold it for \$500. Three hundred and sixty dollars or more for milk cows! My God, where is the Democratic Party going? It is putting the Government into the poultry business and the dairy business. That is not a proper matter of Federal Government. The production and sale of light and power is not a governmental function, unless you want your rooster and jack to carry tail lights and front lights. [Laughter.]

Mr. LESINSKI. Will the gentleman yield?

Mr. ROBSION of Kentucky. Not now. I have only a short time?

Mr. MAY. Will the gentleman yield?

Mr. ROBSION of Kentucky. I yield.

Mr. MAY. Mr. Morgan testified that this institution, T. V. A., was to run for a hundred years or more. One of the amendments to be offered is in the matter of finances so that books may be kept. What does the gentleman think about that?

Mr. ROBSION of Kentucky. I understand that certain administration leaders are fighting the proposition of keeping books on this concern. Their attitude cannot be defended. Furthermore, if T. V. A. is to be used as a yardstick, every item of cost should be charged.

Mr. SCHULTE. Who is going to beat Roosevelt—Hoover?

Mr. ROBSION of Kentucky. There will be plenty of people to beat him. He came in with a landslide and will go out with a landslide.

IT WILL GREATLY INJURE THE MINING INDUSTRY

The soft-coal industry of Alabama, Tennessee, Kentucky, and Virginia is now and has been for a long time in a bad way. For the past year this country used over 100,000,000

tons of coal less per year than it did for a like period of time a few years ago. On April 1, 1935, there were 25,000 more unemployed miners in this country than there were on April 1, 1934. The proposed expansion of T. V. A. is a real threat to the miners and mining industry. While the T. V. A. plants are being constructed it will provide jobs for two or three thousand people. After it is completed it will provide jobs for a very small number of people, certainly not more than 50, unless the Government is going into the power business on a large scale and runs the power plants in the cities and towns and provides power for industry and commerce. The T. V. A. will destroy scores of coal mines in southeastern Kentucky alone. It will throw out of employment many more of the coal miners in southeastern Kentucky. At the same time the Government will force the private industries to pay their taxes, and such taxes to cover the wasteful extravagances of T. V. A. It will not aid recovery but will retard recovery. It will not cut out unemployment but will add thereto. It will not reduce the burden of government to the people but will increase those burdens; therefore, why should we continue to pour untold millions into this proposition to run poultry farms, dairy farms, tourist camps, and engage in the production or sale of power in violation of the Constitution?

SURPLUS POWER

I wish to commend the very able and courageous speech made by my friend and colleague from Kentucky [Mr. MAY]. He declares that this T. V. A. crowd is following socialistic, paternalistic, and communistic policies. He states that we are violating the Constitution, the Democratic platform in 1932, and the time-honored principles of Jefferson, Jackson, and the Democratic Party. You Democrats may not heed the warning of Mr. MAY and other Democrats now, but the time will come when you will appreciate his and their warnings. Mr. MAY stated on yesterday that T. V. A. as carried on was making against business recovery, and would add to the unemployment of this country. I agree entirely with him. There might be some justification for the administration to enter into the ownership and operation of the power, heat, and light industries in the T. V. A. territory if private concerns in that section were not already equipped to produce not only all of the power that can be sold or used but produce a surplus of more than 38 percent according to report of War Department engineers.

I was opposed to the President's utility bill in which he demanded the death penalty without a trial to put out of business scores and scores of utility concerns and destroy the stocks and securities of millions of American investors. Private utility properties in the T. V. A. section are valued at \$600,000,000. I might say that some of these utility plants are owned by the cities and towns. These plants have been helping to carry the burden of Government by paying taxes to the city, district, county, State and Nation. If we turn this T. V. A. into the Treasury of the United States and continue its dictatorial power, one thing and only one thing could result and that is that it will destroy municipal and private utility concerns in that section, together with the power lines passing through that country.

I am strong for the necessary and proper regulation of utilities and power concerns, but we do not have the right to destroy them. When we destroy these power plants we do not merely hit the big fellows in the utility power business but we are hitting hundreds of thousands of little fellows in that section who are the owners of stocks and bonds of these various utility concerns, and we practically destroy the municipal plants that people in various communities and towns have established and built up by their taxes. If the great mouth of this T. V. A. shall continue to swallow up the taxes contributed by private concerns and private citizens of this country, the T. V. A. and its policies will break down and destroy property values and industry. They will engender fear and break down confidence and thereby retard recovery. It will not only knock thousands of people out of employment in that section but this action will so discourage business as to add greatly to the relief rolls throughout this country. The T. V. A. is overriding county,

city, and State authorities. It is a real threat to the freedom of the people and to labor and industry throughout the Nation.

I certainly oppose the unlimited authority and funds granted by the President's bill to the T. V. A. The House bill before us is much less objectionable. We have already spent approximately \$275,000,000 in the Tennessee Valley, and by the time all of the obligations imposed on the Government by this T. V. A. Bureau are discharged, it will have cost the American taxpayers far above \$300,000,000. If we had a lot of surplus money in the Treasury, there might be some excuse for this waste and extravagance, but we must bear in mind that this is borrowed money that we are wasting and squandering.

President Roosevelt and his administration have already created a deficit of over \$9,000,000,000, and the appropriations made for this his third year, and estimating the revenues, it shows that there will be a deficit for this fiscal year of approximately \$4,500,000,000. As this will not promote recovery but will retard it, as it will not provide more jobs but will add to unemployment, as it will not build up industry but destroy many industries, and as it violates both the spirit and letter of the Constitution, I shall cast my vote against giving this T. V. A. further authority and the right to issue \$50,000,000 more in bonds with the pledge of this Government behind the bonds.

Muscle Shoals was spoken of as the great "white elephant." We have now two or more great white elephants in the Tennessee Valley, and I am unwilling to create another one out of the pockets of the taxpayers of this country.

ROOSEVELT WILL BE DEFEATED IN 1936

I make bold to predict that Mr. Roosevelt cannot and will not be elected in 1936. He has destroyed his chances of being reelected by repudiating his platform and the promises he made to the people in 1932. He has abandoned the time-honored principles and policies of the Democratic Party and is giving his active support to the socialistic, paternalistic, and in some instances communistic policies of the Hopkinses, Tugwells, Wallaces, and so forth. When have you heard Mr. Hopkins, Mr. Tugwell, Mr. Wallace, or Mr. Ickes speak of the "Democratic Party"? To find out your political status, you are inquired of whether you are for or against the new deal.

BROKEN PLEDGES, WANTON AND RECKLESS EXTRAVAGANCE

The Democrat platform and Mr. Roosevelt declared in 1932 that we must eliminate the bureaus and commissions that had been built up in Washington. Now, let us suppose he had told the people that when elected he would create inside of 2 years more bureaus and commissions than had been created from George Washington down to Franklin D. Roosevelt; bureaus that have regimented and put into a strait-jacket agriculture, industry, and labor. The Democrat platform declared and Mr. Roosevelt promised to reduce the cost of government at least 25 percent. Now, suppose he had told the American people, "If you elect me, I pledge myself not to cut down the cost of government, but to increase it as no other President has in all the history of our country." Suppose he had said "Our country has expended in the 124 years from Washington's administration to the first year of Woodrow Wilson's, to carry on all the expenses of our Government, to carry on all of our wars, including the great Civil War, maintain our Army and Navy, and provide care and pensions for our defenders, their widows, and orphans, a little more than \$24,000,000,000; but you elect me President and I will spend more than \$24,000,000,000 during the first 3 years of my term of office and I will create various other Government corporations and Federal agencies and give them authority and cause them to issue many billions of dollars of bonds and put the credit of the United States Government behind them, sell the bonds and spend the money, and let the Government take care of any losses that might be sustained."

Mr. Roosevelt declared in his speech at Pittsburgh on October 19, 1932, that—

Taxes are paid in the sweat of every man who labors, because they are a burden on production and can be paid only by production.

If excessive, they are reflected in idle factories, tax-sold farms, and, hence, in hordes of the hungry tramping the streets and seeking jobs in vain. Our workers may never see a tax bill, but they pay in deductions from wages, in the cost of what they buy or (as now) in broad cessation of employment. * * * Our people and our business cannot carry its excessive burdens of taxes.

Suppose he had said, instead of that statement, "If you elect me, I am going to impose heavy taxes on all character of beer, wines, and other liquors; I will add more than \$600,000,000 annually for nuisance taxes on gasoline, automobiles, and so forth; and early in the third year of my term it is my intention to soak the so-called 'thrifty' as well as the little man."

Suppose he had said, "If you elect me, I am going to place a processing tax on wheat of 30 cents per bushel, which, with other taxes, represent at least 25 cents in Government taxes on every sack of flour, and will place heavy processing taxes on meat and other food and clothing, and in that way I am going to make pork chops 40 cents or more, lamb chops 50 cents, beefsteak in proportion, flour, meal, other foods, and clothing increase in price all the way from 25 percent to 100 percent."

He stated in 1932 that our Nation must quit going in debt and quit increasing the deficit because in the end this meant bankruptcy and ruin to our country. But suppose he had told the American people, "If you elect me President, inside of 2 years and 4 months of my administration I will increase the deficit by more than \$9,000,000,000 and for the third year of my term I will create an additional deficit of more than \$4,500,000,000, and for my term of office of 4 years I will pile up a deficit on the backs of the American people of approximately \$19,000,000,000"; and suppose he had said further, "You good Americans do not know anything about a big national debt—if you elect me President, I am going to push it up by leaps and bounds so that by the end of the first 3 years of my term I will show you a national debt of approximately \$35,000,000,000. Yes; in 3 years I will increase the national debt approximately \$15,000,000,000, and this will be \$10,000,000,000 more than at the close of the World War. In addition to this, if you will elect me President, I will have issued some six to ten billions of dollars' worth of bonds of corporations which I intend to have formed. I intend to have these bonds sold and have the bureaus and commissions to spend and squander and waste this money, but at the same time I intend to place the credit of the Government directly behind them."

The President said in his speeches in 1932 that it was foolish to talk about cutting down production, destroying the products of the farm or factories, but suppose he had said to the American people, "If you will elect me President, I propose to burn, destroy, and kill approximately 7,000,000 pigs and hogs—1,500,000 of these still unborn—I will kill the mother sows and at the same time destroy 1,500,000 unborn pigs. I am going to run up the price of pork chops, lamb chops, and other meats. I will plow up and destroy 10,000,000 acres of cotton. I will destroy millions of acres of corn and wheat. I will tax the people and spend hundreds of millions of dollars to take 41,000,000 acres of productive land out of production and will spend other hundreds of millions of dollars for reclamation and irrigation projects to bring hundreds of millions of acres of unproductive land into production. Although we are going to have millions of people out of work, 21,000,000 Americans on relief, hungry and shivering with cold, I propose, if elected, to make food and clothing the scarcest they have been in this country for more than 40 years."

The President said in 1932 that if we expect to maintain this country free we must maintain the rights of the States, but suppose he had said, "Elect me and by reason of the depression and the distress of the people I will demand for myself autocratic and dictatorial powers. I will wipe out State lines and county lines. I will condemn the Constitution. I will look with scorn and suspicion upon the Supreme Court that protects the rights of the people of the States, the villages, towns, and cities. I will proclaim to the world that the Constitution and the Supreme Court belong to the 'horse

and buggy age", and I will do my best to keep them from interfering with the autocratic rules, regulations, and procedure of myself and my bureaus and commissions that I will establish."

He declared in 1932 that the Government should not enter private business in competition with its citizens and should not enter private business except for reasonable and necessary regulation. Suppose he had told the American people in 1932, "If you elect me President I will take the taxpayers' money and put the Government in direct competition with practically every business and enterprise in this country. I will do my best to force bills through Congress that will destroy many industries and destroy the stocks and securities of millions of American investors."

Mr. Roosevelt, in 1932, promised that he would bring about the recovery of business, and unemployment would become a thing of the past. Suppose he had informed the American people, "If you elect me President I will put into effect policies that will break down confidence and will destroy private enterprise, so that on April 1, 1935, at the end of 2 years of my administration, there will be 305,000 more people unemployed than there were on April 1, 1934. I will increase the relief rolls so that at the end of 2 years and 4 months of my administration there will be approximately 21,000,000 people on relief; there will be 3,000,000 more idle spindles in the textile industry on May 1, 1935, than there were on May 1, 1934; in June 1935 the loaded cars will be 55,000 less than they were in the corresponding period in 1934, and 41,000 less than they were in the corresponding period in 1933; our foreign commerce, both exports and imports, will grow less and less, so that on July 1, 1935, I will show you that with the so-called 'reciprocal trade treaties' with foreign countries there will be more goods and products brought into this country from foreign countries than we are sending out.

"In other words, our imports will exceed our exports and the balance of trade will be against the United States; and I will show you that by these reciprocal trade treaties, while we are destroying corn and paying farmers not to produce corn, wheat, and hogs in the United States, for the first time in the history of our country cargo after cargo of corn will be shipped into this country from Rumania and middle Europe, and more than 20,000,000 bushels of wheat in less than 1 year from the Argentine in South America; and butter, cheese, cement, matches, and hundreds of other products from Norway, Denmark, Sweden, and Switzerland; and textile products from Japan. Yes, I will push through Congress a measure taxing the American people to pay for the destruction of 10,000,000 acres of cotton and to pay millions of dollars for cotton farmers not to raise cotton, and I will cut down our export of cotton for 10 months in 1934 after the processing tax goes on more than 3,000,000 bales. Yes; I will cut down the export of American cotton by more than 3,000,000 bales of cotton, and by this process I can put 500,000 cotton farmers in the South on relief; and then I will get behind the so-called "Bankhead Act" to put the Government behind a billion-dollar proposition to buy farms for these 500,000 who have been put out of business by my processing tax. Yes; in May 1935 the earnings of 50 first-class railroads in the United States will show a decrease, steel output will be on the decline, coal will be on the decline, and I will give business and industry to understand that every time they stick their heads up I am going to swat it with a big stick. I will instill in this country, group and class hatred. I will swat the poor with processing taxes and the high cost of living, and in the beginning of the third year of my term I shall swat the poor and the rich with increased taxes."

Mr. Roosevelt declared in 1932 that he was going to give fair treatment to the veterans and their dependents. In my opinion, 90 percent of the veterans voted for Mr. Roosevelt. But what if he had said to the American veterans, "If you elect me I propose to crowd through Congress the obnoxious and cruel so-called 'Economy Act' and take away the pensions of hundreds of thousands of disabled veterans and the widows and orphans of veterans and force tens of thousands of disabled and needy veterans from the soldiers' and sailors'

hospitals of this country. Yes; I will spend millions of dollars for hobo hotels, I will squander and waste billions on the socialistic, paternalistic plans of the Tugwells, and so forth, but I will fight to the last ditch any attempt to pay the soldiers' adjusted-service certificates, an admitted and fixed just obligation of the Government. While they rendered the service in 1917 and 1918, I will make them wait until 1945 to get this partial pay for their service to their country."

We have pointed out what Mr. Roosevelt and the Democrat platform stood for in 1932, on which he urged the American people to elect him President. These have been abandoned, and he has followed the course we have enumerated with the result as pointed out. Roosevelt could not possibly have been elected in 1932 had he given the American people the slightest intimation that he proposed to carry out the policies and do the things that he has undertaken during his term of office.

He cannot and will not be elected President in 1936. He will have to answer to the American people for these broken pledges and for embarking upon a course that has destroyed confidence, created bitterness and discord, group and class hatred; he has destroyed self-reliance, placed a premium on waste, extravagance, and indolence; unemployment has increased, our foreign commerce has been reduced, business has been paralyzed, the relief rolls have doubled, and a general feeling of unrest and uncertainty created.

Mr. Roosevelt went into office in a landslide, and he will go out in a landslide. He has not only broken his pledges to the people but he has carried on a series of policies and plans that have proven to be abortive, except to give special privileges to a few at the expense of the many.

The American people are coming to themselves. They will still look with favor upon honesty, self-reliance, industry, and good old-fashioned common sense. Following American practices and policies and under the Constitution America has piled up nearly half of the wealth of the world; we have had more food and better food, more clothing and better clothing, more homes and better homes, more bathtubs, automobiles, radios, and other comforts of life, the highest standard of living, more liberty, and more happiness than the people have enjoyed under any other constitution, either written or unwritten, of any nation since the beginning of time, and why should we turn our backs on this wonderful record and wonderful experience and take to our bosom the socialism, paternalism, and communism of the Hopkinses, the Tugwells, and the other "brain stormers" of this administration?

Mr. Roosevelt will have to pay the penalty for violated pledges, broken promises, and his abject failure. The five billion slush fund cannot save him, and it will not bring about recovery nor materially reduce unemployment. [Applause.]

Mr. McSWAIN. Mr. Chairman, I yield to the distinguished gentleman from California [Mr. COSTELLO] 5 minutes.

Mr. RANSLEY. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. COSTELLO].

Mr. COSTELLO. Mr. Chairman, I do not think the real problem before Congress at the present time is whether Franklin Roosevelt is going to be reelected; our real problem here today is just exactly what this Congress intends to do in the future with the Tennessee Valley Authority.

The Tennessee Valley comprises an area of some 44,000 square miles, and in this area reside over 2,000,000 people. In the territory adjacent to this valley live an additional 5,000,000 people. Prior Congresses have turned over to the Tennessee Valley Authority various properties. On this project we have expended \$132,792,294. Since that time \$75,000,000 was allotted to the T. V. A. and the deficiency bill which passed recently carried an additional sum of \$34,000,000 for the T. V. A. The question now comes up as to what our program is to be. Are we to pass no legislation at all? Many have suggested this, that we should turn this bill down and not vote any additional legislation. What would be the effect of our refusal to pass legislation on this subject at this time? The result would be simply

that the Tennessee Valley, operating under the act of 1933 which gave the Authority broad, vague, indefinite powers, will not be killed but will continue to operate. The legislation passed here, therefore, will either liberalize or restrict the activities of the T. V. A. If we pass the House bill, the bill now under consideration, we will grant to the T. V. A. very definite and specific powers. It may be said that in some respects the act of 1933 was illegal because it was not specific. In that act we authorized the building of dams, transmission lines, and things of that sort but we did not say what dams and what transmission lines should be built. In the pending bill we specifically name five dams which we authorized the Tennessee Valley Authority to construct. The pending bill gives the T. V. A. authority to complete the Wilson, Norris, Wheeler, Pickwick, and Aurora Dams, to extend the flood control and power development project upon which they have embarked.

Question has been raised as to the sale of real estate. In a great many instances the T. V. A. has purchased larger tracts of land than they actually required. It is only proper that we should compel the T. V. A. in turn to sell back to the public that land which is not necessary for their control or use. The fact they have purchased lands they did not actually need is not to their credit. I think, however, it can hardly be said that we would be saving the Aluminum Trust or anyone else by requiring the T. V. A. to sell back those parcels of real estate the Authority does not require at this time and perhaps will not require.

The bill also authorizes the generation and sale of power, the fixing of resale rates in the contracts which T. V. A. may make with municipalities or other State subdivisions, or private corporations. It likewise permits the acquisition of transmission facilities for direct sale of power to rural communities or individual farmers.

Perhaps one of the most important features of the bill is the requirement that T. V. A. shall establish a uniform system of accounting. In this way the Tennessee Valley Authority will have the same type of bookkeeping, the same system of accounts authorized and employed by other industries engaged in the utility business. In this way we shall be able to check exactly what the T. V. A. is doing and compare it with other utility concerns in all sections of the country. Then indeed will the T. V. A. be an actual yardstick.

A provision of the bill that is very much objected to is the requirement that T. V. A. shall not be allowed to sell its products, be they power or fertilizer, below the cost of production after July of 1937. Personally, I think this is a good provision because it requires T. V. A. to put their operations upon a profit-making foundation. In other words, they are not to continue operations with the idea that year after year Congress will appropriate more and more money to make up their deficits, but that it will be necessary for them to put their business upon a profitable basis and to repay the moneys they have borrowed.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. COSTELLO. I yield.

Mr. MICHENER. What will happen to private industry during the period Congress is appropriating this money and permitting T. V. A. to sell its products at less than cost of production?

Mr. COSTELLO. The amount of products which the T. V. A. will sell between now and 1937, I do not believe, will greatly interfere with any private concerns in that particular region. In other words, I do not think the T. V. A. will be on a sufficient power-producing basis to be able to sell a tremendous amount of power down there.

Mr. MICHENER. I take it, then, the gentleman does not believe the Government should go into business and compete with private industry on terms other than those with which private industry must comply?

Mr. COSTELLO. I believe that is true, and I think the provisions of the House bill tend to protect those rates.

Mr. MICHENER. Yes; they may tend to, but the gentleman will not contend for a minute that the bill accomplishes that?

Mr. COSTELLO. The only program that is before us here in the House at the present time is the House bill or the amendments which will be offered in the form of the Senate amendments. I do not think we can limit this bill to any great extent beyond that.

Mr. MICHENER. I may say that I think I am the only one on this side who since the war has voted on every occasion to complete the Wilson Dam at Muscle Shoals. I did this down to the time the transmission lines were included. We are putting ourselves here just a little further in, so that it is going to be more difficult to get out.

Mr. CRAWFORD. Will the gentleman yield?

Mr. COSTELLO. I yield to the gentleman from Michigan.

Mr. CRAWFORD. With reference to the uniform accounting procedure to be established, will those rules and regulations provide for the recording of capital expenditures as well as operating expenses and income the same as private industry must record these matters?

Mr. COSTELLO. At the present time it is not definitely settled what system of accounting will be employed, but it will be up to the Federal Power Commission to establish a system of accounting and then require that the T. V. A. shall follow that provision. What provisions will be included I cannot say.

Mr. CRAWFORD. Is it not true that unless the Authority or the board of directors or whatever the power may be that prescribes these rules and regulations with reference to accounting procedure, does design an accounting procedure which records capital expenditures as well as operating expenditures and income in line with those used in private industry, the yardstick will be a false yardstick when the final accounting conclusions are arrived at?

Mr. COSTELLO. Undoubtedly that will be done, because the system would be set up by the Federal Power Commission and would be the same system of accounting that would be required of any private concern.

Mr. CRAWFORD. If they set up a rule of that kind, how can they start correctly if they charge off a large part of the capital expenditures before they make the first capital entry on the books to serve as a basis for the accounting procedure to determine the capital cost in order to arrive at the rate to be charged?

Mr. COSTELLO. The T. V. A., I think, is justified in charging off a great deal of the original investment in these properties due to the fact that much of the money was spent for other purposes than power purposes. They should charge only that amount which was necessarily expended to produce the power which they are actually generating. In other words, the flood-control, fertilizer, or nitrate-production features are entirely apart from the power-generating feature and should not be charged to it.

Hereafter the T. V. A. shall be directly subject to the office of the Comptroller General in the handling of funds; while this restriction limits the free and undisputed control over their own funds, it works no real hardship on T. V. A.

The public funds will be properly accounted for; the accounts of T. V. A. will be regularly checked and approved, and all transactions will be handled under the warrant system as they are in other departments; contracts will be let on competitive bids.

Finally, the House bill prohibits the duplication of transmission lines and requires that competing lines be either purchased or condemned.

The T. V. A. want to have more liberal powers than provided in the House bill. They want to be free to negotiate their own contracts without the need of letting competitive bids—to be outside the supervision of the Comptroller's office; to be able to construct duplicate transmission systems at great expense and needlessly; to be free to sell or retain any and all real estate now owned or hereafter acquired by T. V. A.

If you feel that the T. V. A. should be under some restraint, should be subject to the restriction and direction of Congress, and should be placed under the financial control

of the Comptroller General, then you will support the House bill and vote down these proposed liberalizing amendments.

Mr. RANSLEY. Mr. Chairman, I yield 20 minutes to the gentleman from New Jersey [Mr. McLEAN].

Mr. McLEAN. Mr. Chairman, it was not my purpose to again impose myself upon the membership, because on two occasions I have had opportunity to express my views on the subject now before us. If it was not for the upbraiding which I just received from the gentleman from Tennessee [Mr. McREYNOLDS], I would not be on my feet at this time.

My political philosophy is never to indulge in personalities of any kind. I always give my fellow man credit for his convictions. [Applause.] It has been my political experience that an individual who indulges in personalities hurts himself more than he does the individual he intends to injure. Some philosopher has said:

The throwing of mud is a dangerous pastime, because the mud sometimes misses its mark, but some of it always remains on the hands of the one who throws it.

Mr. MAVERICK. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. MAVERICK. Is the gentleman in order in speaking twice on the same bill?

Mr. McLEAN. I have not spoken twice on this bill.

The CHAIRMAN. The gentleman from New Jersey will proceed in order.

Mr. McLEAN. Mr. Chairman, I have been charged in this debate with partisanship. Let me, however, direct attention to the fact that there have been times when Members of his own party were deserting the President that I was supporting his measures in the hope that it might help in bringing about recovery. An examination of my record will prove it.

As a Member of this House I have been assigned to an important committee, and as a member of that committee certain matters came to my attention which I thought ought to be rectified. I found that the manner in which the Tennessee Valley Authority was being conducted was leading to confusion and uncertainty. I found that the men who were in charge of the Authority were disregarding the law and holding the Congress of the United States in contempt. I illustrated this to you the other day when I quoted Dr. Morgan's own words.

The Tennessee Valley Act was the product of the Congress of the United States. It provided the method by which the men appointed under it should carry on their activities. It directed them to sell \$50,000,000 worth of bonds, which was to be the money they were to use until Congress voted otherwise. When asked why the bonds were not issued, Dr. Morgan, a director of the Authority, said that they did not think that was the way the thing ought to be done. This in spite of the mandate of Congress. My whole effort has been devoted to impressing on this body the necessity for a well-understood program to carry this matter out in an orderly way. Today I am able to illustrate it to you by an incident that has happened in the last few weeks.

It has always been the practice of Congress to pass a general legislative enactment that would cover a proposed improvement, outline the program, and then from time to time, as the work progressed, appropriate the necessary money. So the Tennessee Valley Act provided that these men should make a report to the Congress that would enable Congress to outline a program and to guide and control the extent, sequence, and the nature of the development. I have continually stated and reiterated that sections 22 and 23 of the law have not been complied with, and not a single Member of the Congress has answered that statement.

Then there is the incident that happened just the other day. On June 20 we had before us the deficiency appropriation bill. The able Committee on Appropriations of the House had determined that this year the Chickamauga and the Guntersville dams should be constructed and an appropriation was made for that purpose and that purpose alone, and the reason for it was fully stated in the report of the Committee on Appropriations that came out with the bill. The bill was passed and went to the Senate. I have said there is no program. There are a lot of programs, but

nobody knows what the program of the Tennessee Valley Authority is. Judge McREYNOLDS has a program. His program is to get the dam at Chickamauga because that is in his congressional district, and on the 20th of June, or a day or two after, there appeared in a Chattanooga newspaper an excellent picture of the judge, giving his whole speech and telling how he had brought this great improvement to his people by the logrolling he was able to do in the House of Representatives. Then something happened in the Senate. Senator McKELLAR had a different program. Senator McKELLAR wants five dams and was preparing an amendment for that purpose. Senator McKELLAR is authority for the statement that Mr. Morgan asked for an interview with him and went over there and prepared an amendment to cover five dams in the Tennessee River, and in spite of the judgment of the Committee on Appropriations of the House of Representatives, add \$13,500,000 to the appropriation; not in accordance with any program except this program, the program of the Tennessee Valley, a dam for every town, and a town for every dam, and everybody to get their dams as quickly as they can.

So Dr. Morgan went over to the Senate and prepared the amendments which Senator McKELLAR proposed to introduce on the appropriation bill, and everything was all right until Senator McKELLAR found that Dr. Morgan was going about among the Senators whom he had pleaded with for further appropriations and lobbying against the proposed amendment.

Mr. RANKIN. Mr. Chairman, I make the point of order that the gentleman cannot discuss the Senate on the floor of the House.

The CHAIRMAN (Mr. DRIVER). The gentleman is informed that it offends against the rule to make any reference to the action of the other body.

Mr. McLEAN. I am speaking, sir, from the public prints which set forth that Senator McKELLAR gave the interview which I read—

Mr. RANKIN. Mr. Chairman, that violates the rules of the House.

The CHAIRMAN. The Chair has already ruled, and the gentleman will proceed in order.

Mr. McLEAN. And it appears now that word got to Chattanooga that Dr. Morgan had written a letter setting forth that he favored the Hiwassee Dam and throwing a wet blanket on the rest of the dams proposed by the Committee on Appropriations and by the McKellar program. Consternation prevailed. Mr. Lillenthal spent hours in the office of Mr. McREYNOLDS. Telephone calls came from Chattanooga. Everybody was upset about the matter and it became necessary for Dr. Morgan to issue another statement that he did not mean what he had said and entirely reverse himself. So the expression "double crossing" has entered into the controversy and misunderstanding between gentlemen of high purpose and high intent and high character, all because men of wisdom, men of learning, capable of being presidents of universities, capable of directing the destinies of the public utilities of the State of Wisconsin, for some reason or other see fit to ignore the law and do not want to take the Congress of the United States into their confidence and outline their program.

We would not have all this controversy and difficulty if they had done as provided in the act and taken care of the Muscle Shoals development, built the Norris Dam, and then planned the future development of the valley and come to Congress with their program and let us know where they are headed and what they are doing and let us adopt a logical program in a businesslike way. Then we could proceed from time to time with the necessary appropriations and everybody would have knowledge of what is going on. As it is now there is not a man in the House of Representatives who can tell me the future of the Tennessee Valley development under the guidance of the Tennessee Valley Authority, because the Tennessee Valley Authority does not know itself. Today they cannot tell you the necessity for this or that dam. They seem to want to please their friends in Congress; they seem to want to please those who are supporting

them; and, although the logrolling method of legislating has been so much condemned in the public prints in recent years, this is the greatest logrolling proposition in my memory.

Mr. MAY. Mr. Chairman, will the gentleman yield for a question?

Mr. McLEAN. I yield for a brief question.

Mr. MAY. The gentleman recalls that the testimony shows that Dr. Morgan stated there are 149 available power sites in the Tennessee River, and yet he is unable to give us a plan for even five or six of them.

Mr. McLEAN. There is no doubt about that; and let me tell you something else that has occurred. Dr. Morgan, in the newspaper article that I read this morning, stated that this Chickamauga Dam is going to cost \$25,000,000. This astonished the gentleman from Tennessee [Mr. McREYNOLDS], because he says that previous estimates only call for \$15,000,000.

And he was further astonished at Dr. Morgan's statement because the Board of Engineers for Rivers and Harbors, in whom every American has confidence when it comes to construction work, had stated that this dam in all its ramifications could be built for \$11,000,000.

That shows to what extent these men, in whose hands we have placed this trust, have studied what they have undertaken.

Take, for further example, the town of Norris. They started out to build the town to cost \$2,000,000. It cost them \$3,500,000, and when asked how that came about they said it was due to the increase of labor cost and the increased cost of material, and said that the matter of allocating the cost had not been studied, but they were going to do so after a while.

It has been my effort to bring before you what I consider to be important things in the conduct of affairs of this Nation. The success or failure of the Tennessee improvement is the success or failure of the Congress of the United States. If you allow this thing to continue in this irregular, uncertain, unbusinesslike manner in which it is now being carried on, it is destined to failure, and the people to whom you have to answer will hold you responsible long after the Tennessee Valley Authority, those who are your agents, and who are creating the situation, have passed out of the picture.

My appeal to the Congress of the United States is to say to the Tennessee Valley Authority, "Stop; you have sufficient money to build what you have undertaken. Congress will meet again shortly, and when Congress meets we want before us your comprehensive program under which you are operating." When we have that comprehensive program before us we will give it the consideration it deserves and the Congress of the United States and not these agents and creatures of Congress will be the supreme legislative body of the land. [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. McSWAIN. Mr. Chairman, I yield to the gentleman from Florida [Mr. WILCOX] 10 minutes.

Mr. WILCOX. Mr. Chairman, in the course of this debate I think a great many of those who have discussed this legislation have to some extent overlooked the basic principles of the act which we are here seeking to amend.

The Tennessee Valley Authority was created in the first instance for the purpose of providing for the national defense, for navigation in the Tennessee River, for flood control, and soil conservation.

This is not primarily a power project. The development of power is an important, but, after all, an incidental part of the program.

At the beginning of the World War this Nation found itself without the facilities for manufacturing munitions of war. The lack of such facilities was a serious handicap, and the Democratic administration then in power began the development of Muscle Shoals for the manufacture of such munitions.

This Democratic administration, profiting by the experiences of the World War, saw to it that provision was made in peace time that in the event the Nation should again be confronted with war we at least would have the facilities

for the manufacture of munitions which would be necessary for use in any such war.

For many years the Federal Government has planned the development of the Tennessee River for navigation and in more recent years plans have been worked out for the prevention of destructive floods which occur at frequent intervals in that valley.

So the Tennessee Valley project was conceived as a combination of navigation, flood control, soil conservation, and national defense. Necessarily in the construction of the dams needed for flood control, and for navigation, and the installation of power houses, for the manufacture of war munitions in case of war it was essential that machinery be installed. It would be ridiculous if that machinery and those facilities should stand idle during peace time and be permitted to deteriorate, so that in case of war, in case of necessity, the country should find itself again without the facilities for the manufacture of munitions.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. WILCOX. Not now. So the manufacture of power became an incidental issue in the development of the Tennessee Valley Authority. I am just as much interested as any man on the floor of the House in trying to see to it that such surplus power as is manufactured in this development shall be sold on a basis that shall establish a real and true yardstick of value. I want to see such a yardstick established.

I believe that is one of the great services that this institution can render to this country. I wrote into this bill the provision requiring that no power shall be sold after July 1, 1937, below the cost of production. The members of my committee will remember that during the committee hearings I did not devote my time and attention in the interrogation of witnesses to the vast detail of the Comptroller's report. I did not undertake to pursue the line of questioning my colleagues did, but I devoted myself very largely in the examination of witnesses to the question of whether or not the Tennessee Valley Authority is charging a rate for its power and electric current which would serve as a true yardstick in measuring the rates charged by privately owned public utilities, particularly in the Southeastern States. I am interested in that yardstick because I believe that it is only by the establishment of that fair yardstick that the people of this country may determine for themselves whether they are paying fair rates to the privately owned utilities or are being robbed, as many people believe they are. A true yardstick, by which to measure the fairness and equity of rates being charged by privately owned utilities, must be fair to all parties concerned, it must be fair to the people in the Tennessee Valley, fair to the utility companies, but above all it must be fair to the taxpayers of the Nation. It would not be fair to anyone concerned if it did not provide for the full cost of production. It would be grossly unfair to the balance of the country if the Government should subsidize this institution. So, in order that a fair yardstick may be established, I questioned the members of the Board very carefully. I went into the items that make up their rate basis, to determine whether or not they were engaging in unfair competition with private enterprise. I was interested to know whether or not this Government is subsidizing this institution for the benefit of a comparatively small percentage of the population of the country, and I found, very much to my surprise, that although this Authority has been engaged in this business for only a short period, during which time it has been harassed by litigation, during which time it has been engaged in the actual construction of its plant, nevertheless, in spite of that, it is charging a rate for the sale of its power that includes every item that every honest and legitimate private utility is authorized by law to charge its consumers under the rulings of the various utility commissions of the country.

Mr. ANDREWS of New York. Mr. Chairman, will the gentleman yield?

Mr. WILCOX. Not at this time. I found on interrogating these witnesses that although, as I said, they have been

harassed by litigation, and their time taken up in attending various hearings in Washington, although they have not had an opportunity to put their plant into full capacity production, yet they are charging rates based on the same requirements that are authorized by public-utility commissions insofar as privately owned utilities are concerned, and that in addition to that they are setting up a depreciation reserve which at the end of 43 years will have completely liquidated the cost of that part of their plant which is devoted to the manufacture and sale of electrical current. According to the testimony of the T. V. A. directors, at the end of 43 years the United States Government will have nothing invested in that portion of this plant which is devoted to the manufacture and distribution of electric current. Mr. Chairman, in spite of the fact that they are charging all the rates that any private utility is authorized to charge, they have been able to reduce the rate in that vicinity by 50 percent, and the people of that section of the country on a fair, equitable, and honest rate base are now receiving their current at 50 percent of what they previously were charged for it. I now yield to the gentleman from New York.

Mr. ANDREWS of New York. Does any part of the T. V. A. Authority pay any State, county, or municipal taxes?

Mr. WILCOX. Yes. The law requires them to set aside 5 percent of their gross income for taxes, and they not only do what the law requires of them but they go further and they set up 7½ percent additional, so that 12½ percent of their gross revenue is set aside for taxes, and by actual comparison with privately owned utilities in the same section that is a greater percentage of gross revenue than the private utility companies in that section pay for taxes.

Mr. CRAWFORD rose.

Mr. WILCOX. I cannot yield further. I want to call attention to this fact: Under this rate which has been set up and is now being charged in the Tennessee Valley, rural consumers, farmers in that section, who average only three or four consumers to the mile, are receiving their current at a top rate of 3 cents per kilowatt-hour.

In spite of that fact, at 3 cents per kilowatt-hour as a top rate, the associations through which it is distributed make a profit of 38 cents out of every dollar of income. Thirty-eight percent of the gross income of those associations which distribute this current is profit to the association, and they are selling the current at 3 cents, top rate, to the farmers, who are located at an average only three or four to the mile. Compare that, if you will, with my city, which does not have the benefit of the competition of the T. V. A., a town of 40,000 people, with 25 or 30 consumers not to the mile but to the block, with a top rate of 7 cents per kilowatt-hour, and the company says it is going broke and unable to pay dividends.

Mr. CRAWFORD. Will the gentleman yield?

Mr. WILCOX. I yield.

Mr. CRAWFORD. When they set aside a tax fund, to which the gentleman has just referred, does that enter into the calculation of the base which is to be used in arriving at the rate?

Mr. WILCOX. Yes, sir. That is all figured in the rate base. I put the figures in the RECORD yesterday. If the gentleman will turn to the proceedings of yesterday he will there see a complete set-up of this rate base and the interrogation I made of Dr. Morgan and Mr. Lillenthal. Nobody has denied that. Nobody has come forward and said they are not correct. They are not only here and available to the gentleman, but yesterday I put them in the RECORD that you may be fully advised on that subject.

The CHAIRMAN. The time of the gentleman from Florida [Mr. WILCOX] has expired.

Mr. McSWAIN. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. WILCOX. Just one other matter, and I am through. A great deal of criticism has been made, particularly by the gentleman from New Jersey [Mr. McLEAN] in the remarks

just preceding mine, on the fact that the Tennessee Valley Authority has not worked out a completed program in the 18 months or 2 years since this thing was created. I believe they have only actually been down there a little more than a year, yet a great deal of the time of the gentleman on the other side of the aisle has been devoted to a criticism of this board because it has not been able to come to Congress with a completed program of what they expect to develop in the Tennessee Valley and the adjoining valleys. At the same time those gentlemen have held up before the Congress as a shining example of great efficiency and honesty the Aluminum Co. of America, which has acquired the valley of the Little Tennessee. I want to call to your attention the fact that this great efficient corporation, the Aluminum Co. of America, according to the testimony in this case and the speeches of the gentlemen who have spoken for them here today, have been in that valley with a great corps of engineers working constantly and continuously for 25 long years, and they have not completed their program yet. Yet this board is held up to the Congress as an inefficient institution, simply because in a period of 13 or 14 months they have not been able to survey all of the sites and work out all of the plans for a completed program for the development of this great Tennessee Valley.

One other thing on the subject of the Aluminum Co. This board has been criticized because it went into the valley of the Little Tennessee and purchased a couple of pieces of property in order that they might put themselves in a good trading position, and they have been greatly criticized for it. I want to endorse everything that my colleague from Texas [Mr. THOMASON] said yesterday when he announced his doctrine on this floor, that the natural resources, particularly the streams and power sites of this country, should and of right, ought to belong to the people of this Nation and not to private interests. [Applause.] But be that as it may, the Aluminum Co. has gobbled up the Little Tennessee Valley. They have not constructed many of the dams which they ultimately plan to construct. They have not pursued the humane policy of the Tennessee Valley Authority of paying what the property is worth, which they expect to flood. They have stood by for 25 years and held over the people of that valley a sword of Damocles that sooner or later they were going to flood their properties, and thus they have sought to drive down the price that those people were asking for their lands. The Tennessee Valley Authority went in and purchased those two tracts of land not to take advantage of the Aluminum Co. of America but to insure an orderly process of development of this entire valley. In the development of this river system for navigation and flood control it is necessary that not only the Tennessee River but its tributaries as well shall be developed in an orderly fashion. It is necessary that no private concern shall be permitted to install any obstruction in any of the tributaries of this river which will impede or interfere with this great development. The T. V. A. directors are to be congratulated and not condemned for their action in protecting this project. [Applause.]

The CHAIRMAN. The time of the gentleman from Florida has again expired.

Mr. RANSLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. BOLTON].

Mr. BOLTON. Mr. Chairman, I desire to call attention in the few minutes that have been allotted to me to one feature of this proposed legislation which I believe the Committee on Military Affairs, in its desire to curb certain activities of the Tennessee Valley Authority, has overlooked, and which I believe should be corrected. May I say that my remarks or suggestions are in no way meant to be partisan but rather in the spirit of helpfulness. I have reference to the subject of navigation and the activities carried on by officials of the Tennessee Valley Authority in that respect.

While it is realized that navigation is only secondary in the objects and purposes of the T. V. A., it would seem desirable that, in attempting to correct other activities of those responsible for the operations of the Tennessee Valley Authority,

more consideration should be given to the navigation feature of the legislation, which, as drawn, is so contrary to the past practice of the Government.

We are all familiar with the activities of the Government in respect to navigable waters during the past many years, and are familiar with the fact that for over 100 years the improvement and maintenance of our inland waterways has been one of the responsibilities and duties of the Corps of Engineers of the War Department. The development of our great system of water communication and the maintenance of that system has been the result of the study and splendid work of the Corps of Engineers, and carried out in accordance with a definite policy and according to the practices which have grown and been perfected up to the present time.

We are familiar with the fact that the principal duties of the Corps of Engineers in peace times have to do with flood control and river and harbor work throughout the country, and we know that under that policy the practice of the Corps of Engineers has become more and more free from outside interference and has developed a thorough understanding of the water-borne commerce of the entire Nation. Consequently, a familiarity with this problem which no other Department of the Government commands has been developed by the War Department. Today there is a specific procedure with the adoption of projects requested of Congress for river and harbor or navigation work, and after authorization and appropriation by Congress for such projects as are considered desirable, work necessary for the completion and upkeep of them is carried forward by the same group which studied and recommended the improvements and are familiar with the problem in all of their details. It has been due to the untiring and splendid work of this branch of the War Department that our great inland waterway system, extending to all parts of the country, has been developed.

In the original Tennessee Valley Act this procedure and policy was ruthlessly interfered with in the development of the Tennessee River, which development had been recommended only after a very careful and exhaustive study by the Corps of Engineers but was authorized by Congress to be placed under the Tennessee Valley Authority. In that act the law gave control to the Tennessee Valley Authority of practically everything having to do with navigation in the Tennessee River from its mouth and throughout all its branches, the single exception being the lock at Wilson Dam.

Under that legislation the Authority could build whatever structure appealed to its discretion, with or without navigation facilities, could dredge and maintain channels, and do the things that would ordinarily be the responsibility and obligation of the War Department. In fact, in that act we see a distinct change in a policy which had been so successfully pursued in navigation matters, and a part of the authority and responsibility formerly under one head taken away from one department and given to another department of the Government, free from any restrictions from the War Department.

It is believed this divergence from the successful past practice of the Government was recognized by the committee in studying the present bill, H. R. 8632. In the committee report accompanying the bill, under the subject of navigation is found a statement that—

In the bill herewith reported and recommended to Congress it is expressly provided that the Board of Directors of the Tennessee Valley Authority shall so improve the navigability of the Tennessee River as to provide a 9-foot channel from its mouth to Knoxville in accordance with the recommendations of the Chief of Engineers, in a previous study of the Tennessee River recommended to Congress and enacted into law during the Seventy-first Congress, under Public, No. 520.

From the above it might be inferred that the action of the directors of the T. V. A. with reference to navigation must be directed by the Chief of Engineers in order to provide a 9-foot channel as called for—but is this correct? Let us consider section 2 of the proposed bill which amends the old act.

This section, insofar as navigation is concerned, states that the Authority—

Shall have power to construct such dams and reservoirs in the Tennessee River and its tributaries * * * as will provide a 9-foot channel in said river and maintain a water supply for the same from Knoxville to its mouth.

It is true that this section further states that the dams mentioned in the section are to be in conjunction with certain dams enumerated in the report of the Chief of Engineers as authorized under Public, No. 520, but nothing is stated as to the responsibility of the Corps of Engineers in this, or the necessity for receiving the approval of the Corps of Engineers in connection with the development of navigation and the maintenance of the waterway after it has been completed. The inference can be drawn correctly, I believe, that the Tennessee Valley Authority is to continue in its position of having full responsibility for navigation on the Tennessee River and that the intent of the section under discussion is primarily to authorize the construction of dams as will give sufficient water supply to create a 9-foot channel in the Tennessee River. It may be implied, and I think correctly, that the section specifically authorizes the construction of certain dams specifically named in the act, and further permits the construction of other dams that are enumerated in the report of the Chief of Engineers dealing with the act and approved by Congress, namely, Public, No. 520 previously referred to.

However, the fact still remains that the past practice and policy of Congress in holding the War Department, through the Corps of Engineers, responsible for navigation on our inland waterways is, in this part of our great inland waterway system, transferred to a separate organization. The Tennessee River is one of the great rivers of our country, flowing through parts of several States of the Union and having a length of over 650 miles. The Tennessee River is a navigable waterway, and its entire length has been under improvement by the Federal Government. The further improvement of the river has been studied for many years and in a very exhaustive manner by the Corps of Engineers, and the requirements for commerce on the river and navigation features of the river are well understood by the engineers. The river is a part of our great inland waterway system which is being developed in accordance with certain definite policies by the War Department. Up to the time of the creation of the Tennessee Valley Authority, the development of this river and its tributaries, together with the responsibility for maintenance of same, had been entirely the duty of the Corps of Engineers. Appropriations for both the development and the maintenance of the river have been carried in the regular appropriations of the War Department. Would it not seem more correct to permit this policy to continue, to continue to charge the Corps of Engineers with the responsibility for our entire inland waterway system, not only in its development but in its maintenance, and where the creation of dams for power purposes is essential, to have such construction authorized only after study and approval of those responsible for navigation? Is it logical to require the Corps of Engineers to maintain a development in the construction of which they had no responsibility?

By a break-down of the policies heretofore followed it is easy to foresee what might result if this action is allowed to become a precedent in the development and maintenance of our waterway system. If the Tennessee River and its tributaries are permitted to be handled by an independent subdivision of the Government, is there any reason for not believing that such action might follow in connection with the other great rivers of our country? Is it not possible to visualize an authority handling the navigation features of the Mississippi River, another the Missouri River, and even one entirely responsible for the improvement and maintenance of our Great Lakes waterway system? The result of such a policy is only too apparent. It is only through a singleness of purpose and policy of uniform practice and procedure that has brought our inland waterway system to

the position which it now holds. It is greatly to be regretted that the benefits and experience in the past years from such a unity of action for the benefit of the country as a whole, and not of one particular region, should be questioned, and it is very easy to forecast the results which may follow. Certainly there seems to be no just reason nor cause for such change in our past practices, and the fairest view we can take of the situation is that the operations of the past and the benefits derived from a uniform policy have not been fully realized.

The Rivers and Harbors Committee of the House has been for years charged with the responsibility of all legislation dealing with the improvement of rivers and harbors. The committee has reported on public works for the benefit of navigation, on the use of water power, on improving streams, and on other activities having to do with improvements for the benefit of water-borne commerce. Action such as proposed very definitely takes away this duty from the Rivers and Harbors Committee, so far as the Tennessee River is concerned, and in this respect is contrary to the past practice and the rules of the House in that this legislation has not been considered by the committee referred to. It is not only to be regretted that such an oversight sanctioned in the bill has been made by the Military Affairs Committee but it is believed essential that section II of the bill under discussion should be so amended that the construction of the dams referred to should in all cases be subject to the approval of the Corps of Engineers, in order to make certain these improvements primarily for the purpose of the development of power would not be in conflict with the navigation activities on the rivers, and that matters of navigation on the Tennessee River and its tributaries should be the responsibility of the Corps of Engineers of the War Department, both in their development as well as their maintenance. Such a change in the section would only confirm the past practice of our Government in dealing with navigation matters, but remove a state of indefiniteness which now prevails relative not only as to what branch of the Government is directly responsible for the improvement of the river but what branch is charged with the maintenance of such improvements that have been completed.

I urge the Committee to give very careful consideration to this feature of the bill which, as I have attempted to point out, as recommended is so definitely at variance with a policy of long standing that has been successfully pursued by Congress. [Applause.]

Mr. McLEAN. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. Fish].

Mr. FISH. Mr. Chairman, I do not propose to speak on the merits or the demerits of the legislation. They have been thoroughly discussed by both sides. I propose to discuss in the limited time assigned to me the question of the propaganda back of this bill.

We on this side thought a few years ago that Herbert Hoover was a pretty good propagandist, but he was merely a piker compared to this new-deal administration. We are living in the midst of a government of propaganda and ballyhoo emanating from hundreds of publicity agents paid out of the Treasury to uphold the new-deal policies over the radio and in the press. We have heard all kinds of charges, that Members have had their telephone wires tapped and that the agents of the wicked public utilities are running around buttonholing the Members of Congress. I have not yet been approached, and I doubt if other Members of the House have. I do not own any public-utility stock. I assume, therefore, I have the right to discuss this question of propaganda without fear or favor.

I would like to know just who wrote this T. V. A. bill that the new-deal administration is back of. It seems under the new deal that the Congress is required to take bills written by members of the "brain trust" and pass them without alteration, modification, or amendment.

Can it be that the Committee on Military Affairs, a great committee of this House, under a distinguished and able chairman, has double crossed the "brain trust" and actually considered and voted upon legislation in an orderly fashion

and reported out a new or amended T. V. A. bill by a majority vote to be considered by the House? This is a most unusual procedure from the practice of the past 2 years, and instead of accepting the recommendations made by these propagandists and agents of the White House, the Committee on Military Affairs have dared to alter and amend the pending legislation. Talk about propaganda; it is propaganda run wild, the acme of propaganda. The "new dealers" are intoxicated by their own propaganda and publicity when they expect young radicals, often not Democrats and not elected by the people, to present legislation to this body and demand that it be adopted by the committee and by the House without amendment. This is the worst form of propaganda. This is invisible government with a vengeance.

The time has come for the House of Representatives to follow the able leadership of the Committee on Military Affairs, restore representative government, and let the House work its will upon the legislation untrammelled by the Chief Executive or his agents.

This is just a typical example of what is happening: The White House cries out "Propaganda" when the public write letters petitioning their Members to amend or oppose legislation, when, as a matter of fact, this House has been overwhelmed by propaganda from the President through his official agents—the Hurjas, the Lillenthals, the Farleys, the Corcorans, and the Cohens. If the President of the United States wants to do a service for the Government and to the American people, let him recall all these visible and invisible agents, such as the Corcorans and the Cohens, and let the House of Representatives legislate in accordance with article I, section 1 to the Constitution, that—

All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

The Congress should be let alone and be permitted to work its own free will upon all these measures that are thrust upon it and then let it adjourn and go home without further delay. [Applause.]

[Here the gavel fell.]

Mr. McSWAIN. Mr. Chairman, I understand the distinguished gentleman from Pennsylvania has no more requests for time.

Mr. Chairman, it is not my desire to detain the Committee in its consideration of this matter, except I believe it necessary to say a few words in brief exposition of my personal attitude in regard to this matter. I thought I made it plain on yesterday that I am just this sort of Democrat: I do not think that I possess all wisdom, or that I have the right to have my way about everything; and I try to be a good soldier and take orders as long as I can under my oath and under my conscience. Consequently, I introduced the legislation that was prepared by the representatives of the Tennessee Valley Authority. I also introduced a bill that was recommended by a conference of my Democratic colleagues. Subsequently, that bill having been amended in the full committee, I introduced it as amended so that a clean bill would come before the House; and I repeat that whatever the Committee of the Whole on the state of the Union may do, I will vote for the bill in the House when the vote comes, because I believe as did Solomon of old when he said that "in a multitude of counsel there is wisdom." I do say, however, with all deference and I trust with becoming modesty, that I ought to have some little right to say what I think is proper and best to carry out the national policy set forth in the act of May 18, 1933, known as "the Tennessee Valley Act of 1933." Why do I say this? I say this because ever since 1923, as a member of the Committee on Military Affairs, I fought what in popular parlance are called two trusts, the Fertilizer Trust and the Power Trust. The Fertilizer Trust did not want the Government to use this plant for the manufacture of fertilizers for the farmers of the whole country. Do not think that the only eroded lands in the South are in the Tennessee Valley, for we farmers on the other side of the Blue Ridge Mountains are also faced with the problem of erosion. We had hoped we would get some direct benefit in the form of fertilizer. We have now only

one trust to fight, the Power Trust. Somehow or other the Fertilizer Trust had been chloroformed.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. McSWAIN. I hope the gentleman will permit me to complete my statement before he asks me to yield.

Mr. MICHENER. I wish to ask a question on fertilizer.

Mr. McSWAIN. Mr. Chairman, I prefer to complete my statement without interruption.

Mr. MICHENER. But you are not making that fertilizer down there.

Mr. McSWAIN. I am going to do the talking now, if the gentleman please.

Mr. Chairman, when this committee brought that bill into the House 2 years ago it provided that fertilizer must be manufactured. Fertilizer, in my judgment, is a vital and essential factor touching the constitutionality of this whole program, to wit, fertilizer is essential for national defense. Why? What connection is there between fertilizers and national defense?

The more nitrogen you can fix and the more phosphorus you can extract, the better you will be prepared with munitions in time of war. Not only that, but we intended that this program should be a yardstick, not merely for fertilizer, but it was thought and believed that the cost of munitions in time of war might be greatly reduced, and that it might be a yardstick to ascertain whether or not those who manufacture munitions have been exploiting the Government. It was reported in 1926 by a commission appointed by the President of the United States, of which Hon. John C. McKenzie, formerly Chairman of the Committee on Military Affairs, was the chairman, that by the proper use of modern and scientific methods the cost of fertilizer could be cut to 42 percent of the price now prevailing.

In section 5, subsection (j) of that act, it was provided to this effect:

That the Authority should upon the request of the Secretary of War or the Secretary of the Navy manufacture and sell at cost to the United States explosives of nitrogenous contents.

No one ever thought that the fertilizers would be given away in quantity to the farmers here and there, or that power would be given away indiscriminately to anybody in the Tennessee Valley or anywhere else. Why do I make that statement? When this committee brought in the bill with reference to power 2 years ago it provided what? On page 9 of the House bill:

That the Authority shall not proceed to construct any other dam herein authorized where power alone will be generated or where power will be generated in connection with navigation, unless there is a reasonable demand for so much of the power as will yield a return on the part of the investment representing the cost of power production.

That is what our committee said 2 years ago. I reported that bill and I believe in that proposition. But in the law which was enacted, though that part of the bill was stricken out in conference, it was provided in section 9, subsection (a), that the Board should file with the President an annual report and among other things there was provided:

This report shall include an itemized statement of the cost of power at each power station.

That is what we enacted 2 years ago. It is not unnatural that I should feel somewhat hurt that some of the enthusiastic propagandists, to wit, some of the directors, think that I am derelict in my loyalty to this proposition because I have not seen fit upon due consideration to go to the full length that they propose. [Applause.] I submit that time will show that by my doing what I have been doing, and I am doing today, that is, proposing that we be careful not to trespass upon constitutional limitations, I am being the best friend that the T. V. A. could ever have. [Applause.]

Mr. Chairman, I am not going to trifle with my constitutional oath. I believe in public ownership of utilities. You cannot preach that to me. But it is primarily a State function. The State owns the rivers and the State owns the very land on which the navigable rivers roll. The State of Alabama a few years ago sent up a commission headed

by the Governor claiming the Wilson Dam. You gentlemen who have come here since did not know that. They claimed the title to the Wilson Dam because it was placed upon land to which the State had title.

When the committee brought in this bill a few years ago authorizing construction of the Cove Creek Dam to control flood waters, every Democratic Member from the State of Tennessee voted against it except the distinguished gentleman, Mr. McREYNOLDS. Why? Because they thought it was an infringement of State rights to flood three or four counties. Though this House passed the measure, it was fought bitterly in the Senate. Mr. Chairman, there is some history back of this thing. I have tried to be consistent all through the years.

Mr. TAYLOR of Tennessee. Will the gentleman yield?

Mr. McSWAIN. I said every Democratic Member. I did not include my good friend.

Mr. TAYLOR of Tennessee. I voted for the bill.

Mr. McSWAIN. Yes; but the gentleman is not going to claim to be a Democrat.

Mr. Chairman, I believe in public ownership of public utilities as is going on in South Carolina. The State of South Carolina is proposing to harness the river that has the largest volume of water on the eastern coast, the Santee River, but it is the State that is going to harness the river. The county of Greenwood is proposing to harness the power on the Saluda River and to flood much of the very land on which I played, hunted, and fished as a boy, but it is the agency of the State which is doing it.

Now, read my report that I made 2 years ago and read the one which I made on this bill. I believe that the waters belong to the people. I am willing to go just as far as the Constitution of the United States will permit the Congress to go in the use of their power, but I am not willing to go one step further than I think the Constitution permits us to go. Why? Some of us have been practicing law a little while. You need not deceive yourselves that this is not going to get to the Supreme Court of the United States. The courts are open to everybody. Every liberty-loving citizen of the United States thanks God that the courts are open to them. You cannot blame anyone for going to the courts in order to try to protect his rights, and whatever the abstract right or wrong of this question may be, it will go to the Supreme Court of the United States. When this matter does get there I do not want it to be said that I advocated legislation that would violate the Constitution, and have the Supreme Court give me a nice little kick in the pants for not respecting my oath. It is the business of the Members of Congress to respect their oaths.

More than that, and in reference to the matter of cost, the act passed in 1933 declared this policy, showing it was in the mind of the Congress that the proposition should be self-sustaining and self-liquidating, page 8, section 11:

This policy is further declared to be that the projects herein provided for shall be considered primarily for the benefit of the people of the section as a whole and particularly the domestic and rural consumers to whom power can be made available, and, accordingly, the sale to, and use by, industry shall be a secondary purpose to be utilized principally to secure a sufficiently high load factor and revenue returns which will permit of domestic and rural use at the lowest possible rates and in such manner as to encourage increased domestic and rural use of electricity.

In other words, what did that say? We want the primary use to go to the farmers and the small villages, and we are going to sell to industry in wholesale quantities in order to get a sufficient load factor to pull down the cost of the entire aggregate so that the cost to all customers concerned will be at least equal to the cost to the Government. This was the policy declared.

So in three places we declared that it was the policy of this Government, solemnly declared in 1933, that this proposition should ultimately be self-sustaining.

Now, I admit that a new concern just starting out cannot be expected to conform to this policy. Therefore, I think a reasonable time should be given in order that the concern may be put upon a fair and reasonable basis, and, while I have not had an opportunity to analyze the amendment

proposed by my distinguished colleague from Alabama [Mr. HILL], it seems to me, at first blush, ultimately that may accomplish the result we had in mind in 1933.

However, I must say that on the matter of the General Accounting Office and its control and jurisdiction over the disbursements of this corporation, I would not have brought it back into this matter voluntarily, but I told my friends, some of them on the committee, and the directors, that if somebody else brought it in, and if it was forced upon me, I would be obliged to support it. It was brought in, and the record will show how it was brought in, and I had to support it, and I am not going to backtrack on that now, and I will tell you why. Among other things, when I first came to this Congress in 1921, one of the first pieces of legislation we enacted was what is known as the "Budget law" to put all Government disbursements under the General Accounting Office, and one of the strongest advocates of that law was then the ranking Democrat on the Committee on Appropriations, and he is now the Speaker of the House. [Applause.] Ever since then, even during the years when he continued to be the ranking member and finally became the Chairman of the Committee on Appropriations, there has been no stronger defender of the proposition and principle that all Government money should be disbursed through the General Accounting Office.

Mr. McFARLANE. Will the gentleman yield for a question?

Mr. McSWAIN. If it is for information, I will yield.

Mr. McFARLANE. If the gentleman now is so strong for the program of putting this under the General Accounting Office, why was it that the gentleman brought in a bill that took the Army and Navy Procurement Division out from under McCarl and brought about the system of noncompetitive procurement of aircraft that exists in these departments today?

Mr. KVALE. The gentleman did not do it.

Mr. McSWAIN. I will tell the gentleman why. That bill was like a lot of other bills, a compromise.

Mr. McFARLANE. Will the gentleman yield further?

Mr. McSWAIN. No; I do not yield further now. Let me answer your question, if you please.

The Morrow board had brought in a report that it was thought by the aircraft manufacturers would give them an open sesame to the Treasury of the United States so that the officers of the Army and the Navy could buy aircraft just like you would buy a pair of shoes. I fought this, and although we Democrats were in the minority I won over enough Republicans on that committee to bring the vote down to 11 to 10. Being about equally divided, the chairman of the committee saw he could not put the Morrow Board plan through this House and a subcommittee was appointed. I was appointed on the subcommittee, and I won there what is known as "the principle of competitive designs." I won everything I could; and, finally, I had to yield on one point; but to show that the Speaker never yielded, JOE BYRNS asked me right back there by that railing one day if I thought I could defend it; and he stated, "I do not like that provision. I do not like this idea of going around the General Accounting Office." All those provisions were inserted in the bill in conference.

That is why; and I am getting hardly anything I want in this bill I would like to have; and if the gentleman can put in any amendments I am still going to vote for the bill; and I hope the gentleman will vote for the bill, whatever the circumstances may be.

Mr. RICH. Mr. Chairman, will the gentleman yield for one question?

Mr. McSWAIN. No; I am very sorry.

Mr. RICH. Will the gentleman yield for just one question?

Mr. McSWAIN. I yield for one question.

Mr. RICH. Is there any reason why the Government should not want to have its accounts audited the same as the accounts of individuals or of private enterprises? Is there

any reason why the Government should be afraid or should not permit this audit?

Mr. McSWAIN. The Government is not afraid.

Mr. RICH. Then why did we not keep that provision in the bill?

Mr. McSWAIN. The Government is not afraid. In every department of this Government the contracting office does not settle the accounts. The Department, like the War Department or the Navy Department, makes the contract and the settlement is made by the General Accounting Office. This is the case everywhere and is what I think ought to prevail here.

Now, I am willing to concede up to a certain point on that. They say they have already started these dams under another system and it is stated that 2 or 3 years will be necessary to finish them. I say, "All right, give them 3 years more." I was in favor of 3 years, but the committee cut us down to 1 year, or until 1936. However, I am in favor of any policy that will ultimately bring them under the control of the General Accounting Office. [Applause.]

[Here the gavel fell.]

The Clerk read as follows:

Be it enacted, etc., That subdivision (1) of section 4 of the act entitled "An act to improve the navigability and to provide for the flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama, and for other purposes", approved May 18, 1933, be, and the same is hereby, amended by adding thereto the following proviso: "Provided, That nothing contained herein or elsewhere in this act shall be construed to deprive the Corporation of the rights conferred by the act of February 26, 1931 (46 Stat. 1422, ch. 307, secs. 1 to 5, inclusive), as now compiled in sections 258a to 258e, inclusive, of title 40 of the United States Code."

Mr. KVALE. Mr. Chairman, I move to strike out the last word.

I took no time under general debate, but do desire now, at the opening of the reading and the amendatory stage of the measure, to reiterate some of the things that have been stated in general debate.

First among them, Mr. Chairman, is the hope that the membership of this House will seriously consider and rightfully support all of the amendments that will be offered to this bill, constructively, by the gentleman from Alabama [Mr. HILL]. Whenever Mr. HILL of Alabama offers an amendment you may depend upon it that that amendment—and this is for your information—embodies the desires of the President of the United States and of those who are heart and soul in accord with the fundamental principles of the T. V. A., and of those who are interested in seeing a genuine bill enacted here at this session, instead of the emasculated measure which is before us.

Mr. ANDREWS of New York. Mr. Chairman, will the gentleman yield?

Mr. KVALE. Yes.

Mr. ANDREWS of New York. And may I say in that connection that by voting against the amendments offered by the gentleman from Alabama [Mr. HILL] the Members will vote for the bill which represents the majority opinion of the Committee on Military Affairs, acting after long and conclusive hearings in their own right.

Mr. KVALE. I shall have to concede that, sorrowfully.

Mr. HILL of Alabama. I do not think the gentleman should concede that, for this reason: The gentleman knows that this bill was reported out fundamentally simply that this House, this Committee of the Whole, might have the opportunity of acting on this proposition.

Mr. KVALE. And I think this should be stated in addition, and I now, for one, want publicly to express my thanks to the gentleman from Illinois [Mr. SCHAEFER], who by yielding to the urgent desires of the President and the administration, and after having succeeded in offering an amendment which, when adopted, removed his essential objections to the bill, was able to vote to report the bill so that we can now consider it.

Otherwise, this House would have been denied the privilege of voting on this measure in any shape.

Mr. SHORT. But the gentleman will admit that the bill was tabled by a vote of 13 to 12, and that it was voted out by a vote of 13 to 12 after we had adopted the House amendments?

Mr. KVALE. That is true, and we are trying to correct some of those damaging amendments through the proposed Hill amendments. The gentleman does not agree with me, but I will say that he is sincere in his position, just as I know that he will admit that I am in mine.

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. KVALE. Yes.

Mr. DUNN of Pennsylvania. If the amendments of the gentleman from Alabama are adopted, will the bill then be similar to the bill passed by the Senate?

Mr. KVALE. In major respects. It will salvage many of the things that had to be thrown overboard in order to capitulate to the Power Trust, the Aluminum Trust, the Coal Trust, and some of the other powerful agencies which emasculated this measure before it came to the Chamber.

Mr. DUNN of Pennsylvania. I want to say that I am in favor of the Senate bill.

Mr. KVALE. I thank my friend; I agree.

Mr. Chairman, I think a word should be said for the chairman of this committee [Mr. McSWAIN]. Naturally actuated by a sense of loyalty to his full committee, he stands square in his usual, sincere style, and proceeds to wage his fight to protect the bill as a majority of his committee reported it as he sees it according to his duty. But I do not think we are going to offend that genial and gracious and kindly chairman of the committee if we adopt these amendments sponsored by the gentleman from Alabama [Mr. HILL]. I know his personal convictions, and the history of this legislation.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. KVALE. Mr. Chairman, I ask unanimous consent to proceed for 5 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. KVALE. Mr. Chairman, my point is this: These amendments seek to embody in the measure some of the provisions considered vital in the Senate bill, which have been discussed at length in general debate, which appear in the RECORD this morning, and which are further verified and explained in the supplemental report which the gentleman from Texas [Mr. MAVERICK] and myself carefully prepared, and which are embodied in the report which accompanies the bill. I hope every Member of the House will do us the courtesy of reading that supplementary report.

Mr. GRAY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. KVALE. Yes.

Mr. GRAY of Pennsylvania. The gentleman refers to a Coal Trust in opposition to these so-called "amendments." I should like to have the gentleman identify the Coal Trust for the House.

Mr. KVALE. The gentleman imposes upon me a task which would take a great deal more than 5 minutes, and I must ask to be permitted to continue my line of argument and take that up perhaps at some later time.

Mr. Chairman, the issue is clear. There should not be anything to confuse this House. The T. V. A. has built up a distinguished record. If the Members of this body will do Mr. MAVERICK and myself the courtesy of reading that supplementary report, and verify its statement by quotations from the transcript of the hearings, they will find out that many of these unjustifiable statements about the disdainful attitude on the part of the directors of the T. V. A. and similar allegations are wholly unjustified, and they will learn to their own complete satisfaction that this corporation, operated in the public interest, is facing squarely the issue of serving the public not only in that area but of the entire United States.

It has taken on a Gargantuan task and has performed it with surprising ability, and the members, from Mr. Morgan and Lillienthal on down through the subordinate executives, have a record which their successors and their associates and companions can point to with full pride.

I am proud of Dr. Morgan; I am proud of Mr. Lillienthal; I am proud of what they have done. I grant, in the same breath, they have been guilty of certain minor infractions; but if you will do Dr. Morgan the simple courtesy—yes, the duty—of reading his testimony in the opening pages of volume 2 of the hearing, you will discover for yourselves that 97 percent of all purchases have been made in accordance with law, and that the so-called "irregularities", the so-called "injustices", the so-called "imperfections", the so-called "peculations", have been justifiable, each individually for itself. There has been a defense established for each of them. They have been in the interest of the public.

This organization, bear in mind, is fighting the most powerful and most well-organized forces that are in existence today in America, from an economic and industrial standpoint. There are too many petty things thrown into this debate. We should consider the larger aspects. Think of this great area being rehabilitated. Think of the yardstick that it is attempted to set up to break the hold of one of the most powerful industrial groups in the United States. Think of the dream of a Chief Executive of the United States which seeks to restore whole areas and which seeks to hold out contentment, security, peace, comfort, and convenience to the overworked housewives of an impoverished area, and ultimately, by example, to an entire Nation.

The CHAIRMAN. The time of the gentleman from Minnesota has again expired.

Mr. MAY. Mr. Chairman, I regret very much that in the debate yesterday I must have been misunderstood by some of my committee colleagues. I regret very much more the fact that some of my very genial, friendly, high-class colleagues in the committee chose to make me personally the issue in this discussion, rather than the controversial features of this bill. I am attacked because I have opposed the activities of the T. V. A. because of its disastrous effects on the coal industry. It is called a "trust", and today it lies prostrate. Thirty thousand men in my district toil in the coal mines for a living, and every time legislation is offered that adversely affects their rights to make a living, their opportunity for earning a livelihood is lessened.

You were told yesterday that I voted for the original act under which we are now operating when it was first passed in this House. That, to the gentleman who made the statement, is undoubtedly believed to be a correct statement, but it is nevertheless a misstatement. What I voted for on the first vote in this House was a bill that the Military Affairs Committee of the House of Representatives brought out of that committee, that had no relation to or any resemblance of the Senate bill which was finally adopted, and what I voted for on the conference report later was this entirely different bill. The House Military Affairs Committee passed a bill which provided that the Government of the United States should develop the Tennessee River strictly along the lines of the Federal functions of national defense, flood control, and navigation on the Tennessee River for the purposes of interstate commerce. I voted then, as I have tried to vote since, with the administration; and to show now that this committee has been exceedingly fair to the Tennessee Valley Authority, I am standing with the chairman of my committee for this bill, because I believe this bill is a remedy for the defects that were in the bill that was passed and under which the Tennessee Valley Authority is now operating. To show that we tried to be fair we brought the bill out to the House when we had the power to keep it in the committee if we had desired to do so.

The first amendment that will be offered by the gentleman from Alabama [Mr. HILL] will be an amendment to provide that the Tennessee Valley Authority shall have an indefinite time in which to make certain investigations and recommendations to the Congress, with regard to the cost of production of electricity.

The bill says that after July 1, 1937, the Authority shall not sell surplus power or chemicals produced by it below the cost of aggregate production for each year. The first amendment will be to strike out that provision. The testimony before our committee shows that the Muscle Shoals Dam, with 240,000 kilowatt capacity, is now in existence and has been for years; that it is available for production, and that the Norris Dam will be completed before the first of next year, yet we are giving them until July 1, 1937, 2 years from the 1st day of this month, in which to be able to sell electricity at a profit. In that time they will have completed the transmission line from the Norris Dam to the Muscle Shoals Dam. They will have available then enough power to furnish the entire Tennessee Valley if they could get to it. I assume that this committee wants to hold them to the provisions of the original act, which provided that they should ultimately sell power at a profit, if they did sell it.

The CHAIRMAN. The time of the gentleman from Kentucky [Mr. MAY] has expired.

Mr. MAY. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. MAY. The next amendment that will be offered to the bill will be to strike out all of the bill on page 12, beginning with line 3 and ending with the word "disapproval" on page 13. That is the provision which requires that all moneys appropriated by the Committee on Appropriations of this House and that all moneys allocated from any other source to the Tennessee Valley Authority shall be covered into the United States Treasury and go through the General Accounting Office and be accounted for just like any other bureau of the Government. We felt that that was important for this reason: The Tennessee Valley Authority, in less than 1 year after it was first organized, had set up a bureau in Knoxville, Tenn., that occupies five great buildings. They have 3,000 officers and employees in those buildings, in addition to 13,000 men on the pay roll on the outside. We felt that a bureau that could expand like that, a bureau that could expend a million and a half dollars every 30 days, ought to be required to account for the taxpayers' money through the same methods and channels that is required of other departments of the Government. [Applause.]

That is the reason that provision was inserted in the bill. The gentleman from Alabama [Mr. HILL] will propose to strike that out. If they propose to be economical in the expenditure of their funds, what objection can they have to it?

Mention has been made about the position of Comptroller General McCarl in the matter. Let me call attention to this statement of his in the hearings; it is not lengthy, only about 10 lines. This is his testimony. Let me say further, before reading the quotation, that this section invokes the aid of section 3709 of the Revised Statutes, which provides that in the letting of contracts for materials they shall all be let after advertisement and public bidding to the lowest and best bidder. They do not even want to comply with this requirement. Comptroller General McCarl made this statement:

Let us take section 3709 of the Revised Statutes. The purpose of the statute was to secure to the Government the benefit of open competition in connection with purchases to meet the actual needs of the Government. It is to permit all citizens who want to do so to bid, and it requires acceptance of the low bid meeting the specifications bid upon. It was to insure getting the most for the Government's money, to be fair with all citizens bidding, and to require conduct of the public business in making purchases on a competitive and fair basis as those who enacted the law believed it should be conducted.

What is wrong about requiring this wild, extravagant, money-spending, riotous-living bureau that is buying airplanes to fly from one office to another when they could just as well take a train or drive an automobile—what is wrong about the action of the Congress of the United States in requiring them to live up to the same regulations that other governmental agencies must meet? There is not a thing in the world wrong about it, not a thing. [Applause.] When the Congress of the United States puts itself in the

attitude of not making this extravagant monster conform to practices required of all other bureaus and Government agencies, it puts itself in a position to be criticized, and justly criticized, by the country. [Applause.]

[Here the gavel fell.]

Mr. KELLER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KELLER. Do I understand it to be the rule of the House that when a committee has controlled the entire time for general debate that members of the committee may also control all time under the 5-minute rule?

The CHAIRMAN. The gentleman correctly understands the rule insofar as preference in recognition is always accorded to members of the committee reporting the bill.

Mr. RANKIN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. RANKIN. Mr. Chairman, as I understand the rule, when an amendment is offered there is debate for and against the amendment and a member of the committee is entitled to recognition.

The CHAIRMAN. Yes.

Mr. RANKIN. But I do not understand that members of the committee are entitled to preference over other Members of the House when it comes to pro forma amendments such as motions to strike out the last word.

Mr. EDMISTON rose.

The CHAIRMAN. The Chair will state to the gentleman from Mississippi that under the rules the preference in recognition extends all the way through to members of the committee, and the Chair so rules.

The gentleman from West Virginia is recognized for 5 minutes.

Mr. EDMISTON. Mr. Chairman, I want particularly to call the pending bill to the attention of those Members of the House who like myself represent coal-mining districts. In the first place, very eminent engineers disagree on the question of whether electrical energy can be manufactured cheaper by coal or water power. After listening to the testimony of the Doctors Morgan and Mr. Lilienthal before the Committee on Military Affairs, it is my personal belief that if in the cost of the power developed by the Tennessee Valley Authority there was reflected a proportionate share of the fair cost of the dams and a fair rate of interest on that money, we could manufacture electrical energy in West Virginia where we dump coal off the tipples into the power plant cheaper than they are manufacturing it in the Tennessee Valley. [Applause.]

Do you Members representing coal-producing districts realize that the only market you have in this country for slack coal is the steam-operated electric plants? If you continue the operation of this Tennessee Valley project to the extent Dr. Morgan on the witness stand advocated—that there is to be no stop to it—you will eliminate your only market for slack coal; and the price of lump coal is bound to advance because the coal mines will have to dump the slack coal over the side of the hill for lack of a place to sell it.

Mr. KVALE. Mr. Chairman, will the gentleman yield for one question?

Mr. EDMISTON. Yes; I yield to my colleague on the committee.

Mr. KVALE. The gentleman, of course, realizes that he must combine the problem of distribution with the problem of production of power.

Mr. EDMISTON. The problem of distribution is the same regardless of how the power is generated. [Applause.]

Mr. FORD of California. Mr. Chairman, will the gentleman yield?

Mr. EDMISTON. I yield.

Mr. FORD of California. What connection is there between the production of power by coal and the production of power by water down in the Tennessee Valley and coal mines in the gentleman's district?

Mr. EDMISTON. The connection comes about by reason of the fact that the Government with its unlimited funds can build 15 dams, if necessary, to insure sufficient water in a

dry year to maintain the flow necessary to generate power, but a private company, not having inexhaustible funds, not having the United States Treasury behind it, must augment its water-power plant with a steam plant.

Mr. FORD of California. That is true, but that has nothing to do with T. V. A.

Mr. EDMISTON. It certainly had something to do with the coal markets, for it will destroy them.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. EDMISTON. I yield.

Mr. RICH. I should like to say to my colleague from West Virginia that the Government does not have an unlimited supply of funds. Soon they will be all gone, and we shall wreck this country if we do not stop this ruthless expenditure of funds.

Mr. EDMISTON. Another fact I wish to call to the attention of the Committee in my limited time is that if this bill stayed tabled in the Committee on Military Affairs it would not stop the activities of the Tennessee Valley Authority; they would carry right on, for they still have plenty of money. They do not need any more money now, so this legislation is not necessary to enable them to continue.

I should also like to call to the attention of the Committee a statement made by the late Thomas A. Edison:

We shall steadily require more power, but a great deal more fuss is being made over hydroelectric power than its intrinsic value warrants. Water power is a political issue, not a business one.

I quote this eminent authority to show that this issue is political, and there has been no business ability demonstrated in its management since its inception.

Mr. FORD of California. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, one of the things which is worrying a great many Members of the House in reference to this T. V. A. matter is that it is a step toward national public ownership of electric utilities. This is a grave mistake. The T. V. A. does not mean toward national ownership; it means the creation in the Tennessee Valley of a yardstick by which the cost of production, distribution, and final consumption of electric power may be reasonably measured for the benefit of the people of that great district as well as other parts of this Republic.

I happen to represent Los Angeles, Calif., which has the most successful publicly owned power plant in the United States. Permit me to tell you why I am in favor of the Hill amendments, particularly the one which permits the T. V. A. to buy these competing lines without going into court. The city of Los Angeles went 250 miles up into the Owens Valley to get its water. In bringing this water down to the city of Los Angeles we had a 3,500-foot drop. We built power plants through which this water would run to supply the city. The power companies allowed us to build our plants, ready for production, and then took us to court and kept us there for 5 years, which cost the city \$5,000,000 before it could turn a wheel in the plants which it had completed. The city finally bought the distributing plant of the private company and paid them about twice what it was worth, but that was O. K. Then we started distribution. We own two-thirds of the distributing system in the city. The citizens of Los Angeles were paying 11 cents per kilowatt-hour when we started. Now they pay 4.8 cents per kilowatt-hour, and it drops 1 cent very quickly after a few kilowatt-hours are used. We have been the yardstick for the whole of the Southwest, and have saved the people of the Southwest and the people of the State of California about \$500,000,000 in power rates, because the power companies did not have the guts to charge 11 cents when we could produce and distribute electric power for 4.8 cents. That is the situation; and yet some Members here are trying to camouflage this matter by talking about details.

Mr. RANKIN. Will the gentleman yield?

Mr. FORD of California. I yield to the gentleman from Mississippi.

Mr. RANKIN. The power companies charge more than twice as much in West Virginia as they charge in the District

of Columbia, and yet in West Virginia they make the power with West Virginia coal.

Mr. FORD of California. The gentleman from West Virginia who preceded me is worried about the coal situation. There are situations under which you can produce electric energy cheaper by coal than by water. That is an engineering fact that we all know about. But there are also situations whereby you can produce electrical energy cheaper by water than by coal. I submit it is fair that districts which have great natural water resources should be permitted to produce energy by water wherever they can do it cheaper than by coal. That is what we are trying to do in the T. V. A. This is a great question that the American people are going to be called upon to decide in the next election. The question is whether or not this holding-company gang, who are just as interested in the defeat of the amendments to the T. V. A. as they are in the defeat of the holding-company bill, are going to keep us from producing and distributing electric energy at a price that the people can afford to pay.

I have, my friends, adverted to the lowering of rates due to municipal ownership. Let me point out what that has meant in dollars and cents to the ratepayers, who are, in 90 percent of the cases, also taxpayers.

In the 20 years of operation of the Bureau of Power and Light of Los Angeles the ratepayers and taxpayers have been saved in excess of \$100,000,000 on water and power, as compared with the rates they would have paid under private ownership.

In addition to this saving, the bureau has returned to the city treasury some four or five millions of dollars to help out in the critical period through which the city was passing from 1932 to 1935.

The city's power and water plant is worth in excess of \$250,000,000. Its indebtedness is less than \$100,000,000 at this time, the interest and amortization on which is promptly met each year, in addition to a handsome surplus. Part of this surplus goes to the city treasury in lieu of taxes which would be paid by a private company, which would charge twice the rates now collected by the city.

As a matter of fact, my friends, the T. V. A. fight is merely the broadening of the battle front. Our battle, and the battle of hundreds of other communities, was heretofore a local battle. The T. V. A. makes this a national battle.

There is no question of socialism, sovietism, communism, or any other un-Americanism involved.

It is merely a question whether the American people decide to exercise their God-given right to utilize the national natural resources for the benefit of all, as opposed to permitting a few rich, powerful, unscrupulous exploiters to supply them with light and power at rates that enable the exploiters to wax rich at the expense of the people themselves.

As for me, knowing from years of experience with the exploiters, knowing the methods they employ to achieve their ends, I am going to vote for the Hill amendments to this bill. My reasons are simple. I want a yardstick established. If the House bill as at present written prevails, that will be impossible.

Let us be frank, my friends. Do you trust President Roosevelt or do you trust the exploiters? It is your President and my President against the most daring, the most unscrupulous gang of financial exploiters that ever existed.

For me, I am for the President. The Hill amendments represent his views. The choice is yours. I have no fear as to the results.

[Here the gavel fell.]

Mr. FADDIS. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, the Committee on Military Affairs worked long and faithfully upon this piece of legislation. I do not think there is a member of that committee on the Democratic side who 2 years ago was not heartily in favor of the original act as passed by the House. But we have come to realize that, after passing the House bill, we had the Senate bill rammed down our throats in conference. We have come to realize that this T. V. A. which we instituted a short

time ago is reaching out with an avaricious appetite to get public funds and devote this money to the socialization of the industry of the United States. Some of us who come from coal-producing districts have already felt the effect of the T. V. A. in our districts, and I predict that we will soon feel it more if the integrity of the House bill is not preserved.

When the members of the Committee on Military Affairs brought out this legislation, we tried our level best to do justice to the T. V. A. Board and to the people of the United States. It was what all legislation should be—a compromise. In this legislation we endeavored to hedge this Board of academic college professors of theoretical minds with the restrictions that should hedge every department in this Government. We endeavored to put them under the control of the Comptroller General of the United States and endeavored to provide that their purchases, their expenditures, and all of their affairs should go through the customary channels through which the affairs of all the other bureaus of the Government pass.

We still believe that this bill should be passed as we brought it out of committee, and the members of the committee reported out the bill with that thought in mind. We were endeavoring to do something for the T. V. A. and at the same time rectify what we permitted to be passed 2 years ago when the Senate bill was rammed down our throats.

Mr. SHORT. Will the gentleman yield?

Mr. FADDIS. I yield to the gentleman from Missouri.

Mr. SHORT. Is it not true that this bill would never have been reported out of the committee if certain amendments had not been accepted by the members of that committee?

Mr. FADDIS. That is true. There was an agreement by the majority of the members of the Military Affairs Committee to bring this bill out for consideration. When the statement is made on the floor of this House that a great many of the members of that committee voted to bring this bill out only in order to get it before the House, that is entirely erroneous. We voted to report this bill out because we believed in this kind of a bill, and for no other reason. I did not vote to report this bill out in order that it might be brought on the floor of the House to be made a political football. I never would vote to bring any bill out of committee for that purpose.

So I appeal to the Members of the House to carefully judge and weigh these amendments, to think before you vote on them and grant this Bureau powers that no other bureau connected with this Government has, and powers that no bureau should have, in connection with the spending of the money of the people. [Applause.] We are the representatives of the people and are responsible for the spending of their money.

I believe in the T. V. A. as we originally established it. I believe in it especially as a yardstick with which to measure utility rates. What we must have, however, is an honest yardstick, not a fictitious one. This we cannot have unless we insure that they are properly hedged by regulations and obliged to comply with a proper system of accounting.

The pro forma amendment was withdrawn.

Mr. RANKIN. Mr. Chairman, I listened this morning to the remarks of the gentleman from Missouri [Mr. SHORT] in opposition to the T. V. A. He does not seem to realize what the T. V. A. means to the people of his own State. A few days ago I put into the RECORD a statement showing that the people of Missouri are overcharged for electric light and power \$20,000,000 a year, of which at least \$1,600,000 is piled onto the shoulders of the people of the district he represents.

They have talked here of the T. V. A. yardstick. In this compilation I not only used 1 yardstick, I included at least 4 yardsticks, and possibly a half dozen yardsticks, and nine-tenths of your districts under these yardsticks are being overcharged more under the Tacoma or the Winnipeg or the Ontario rates than they would be under the T. V. A. rates. Take the statement put into the RECORD from the records of the city of Jacksonville, Fla., where they have

cheaper rates than in the average town where you live, and where they sold \$2,600,000 worth of electricity last year and made a profit of \$1,800,000, if they had done as Winnipeg, the T. V. A., Tacoma, and Ontario are doing, and had given the consumers the benefit of that profit, they would have been able to sell power in Jacksonville, Fla., manufactured from oil from Texas or coal from Pennsylvania, much cheaper than they are selling it in the Tennessee Valley.

Why, the distinguished gentleman from West Virginia [Mr. EDMISTON] and these other gentlemen from coal districts are complaining that this is competing with them, and they say it will stop the use of coal. I have gone into this question thoroughly, and under ordinary conditions I am going to concede there will be very little difference in the cost of electricity when it is manufactured with coal and when it is manufactured with water power. Let me say to the gentleman from Kentucky [Mr. MAY], whose people are overcharged in that State more than \$8,000,000 a year for electric lights and power, and the gentleman from Pennsylvania [Mr. FADDIS], whose people are overcharged \$75,000,000 a year for electric light and power, that these coal barons are lined up with the Power Trust in this fight while coal is piled up at the mines that could be turned into electric energy at rates provided by the T. V. A. yardstick and sold to those people. This is what the yardstick is for.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. No; I have no time to yield.

But in the coal-mining districts of Kentucky, of Pennsylvania, of West Virginia, and Alabama these poor miners come out from the depths of the earth, sweaty and tired, and go to their homes and are denied enough electric energy to even run a fan, much less a refrigerator. Some of them are not able to properly light their humble homes, the rates are so high. If this coal were turned into power and sold at the rates provided by the T. V. A. yardstick, it would more than double the consumption, and you would have a market for your coal and would add to the comforts of the people who need it most. You are simply working against the interests of those people who are today digging the coal from your mines and are denied the use of the electricity that could be produced by it.

You are lining up, unconsciously perhaps, with the Power Trust to deny these people one of the greatest blessings of modern civilization—a liberal use of electric energy.

[Here the gavel fell.]

Mr. RANKIN. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

Mr. RICH. Mr. Chairman, reserving the right to object, I would like to know whether the gentleman is going to yield to some questions with reference to the statements he is making. I shall not object.

Mr. HOFFMAN. Mr. Chairman, reserving the right to object, I want my friend Mr. KELLER over there to have time. He has been trying for an hour to get time.

Mr. KELLER. I thank the gentleman.

Mr. McSWAIN. Mr. Chairman, reserving the right to object, and I am not going to object; but we must make some progress in the reading of the bill, and unless we can have an agreement that this general discussion shall conclude in 10 or 15 minutes we shall be obliged to move that debate on this section and all amendments thereto close in that time.

Mr. COOPER of Ohio. Mr. Chairman, reserving the right to object, I would like to have 3 minutes.

Mr. McSWAIN. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The CHAIRMAN. The gentleman from Mississippi [Mr. RANKIN] asks unanimous consent to proceed for 5 additional minutes. Is there objection?

There was no objection.

Mr. FORD of California. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from California.

Mr. FORD of California. Will the gentleman from Mississippi tell me whether the coal industry has ever justified its existence in view of the terrific conditions that have always existed among coal workers?

Mr. RANKIN. They are not justifying it now. That is what I am coming to, and this additional time has given me an opportunity to locate my distinguished friend from West Virginia [Mr. EDMISTON]. The people of West Virginia are being burdened with power rates that are outrageously high, and yet they are hauling coal from West Virginia to the District of Columbia and manufacturing and selling power for about one-half of what they have to pay in West Virginia.

The District of Columbia is served by a private power company, a private enterprise. They are free from a holding company, although I am told they pay their president \$25,000 a year, yet they bring coal from West Virginia and from Pennsylvania with which to produce it, and sell electricity for half of what they sell it for in Pennsylvania, although they have no industrial load here and have to depend entirely upon commercial and domestic consumption. [Applause.]

I say to the gentleman from West Virginia that he is standing in the way of his own coal industry. I do not care whether you can make electricity cheaper by coal or waterpower, I am for bringing the rates down to a proper yardstick.

They have reduced the power rates \$350,000,000 in this country, and that is the reason the Power Trust is complaining. What I am trying to do is to bring the power rates down all over the country so that they can use the coal from West Virginia and Pennsylvania in the right way. If they will do that it will furnish power and light to West Virginia, Pennsylvania, Kentucky, and Alabama as cheaply as it is furnished by the T. V. A., if not cheaper.

Do not forget, gentlemen, that every man that turns on a light is watching Congress today.

Mr. EDMISTON. Will the gentleman yield?

Mr. RANKIN. Yes.

Mr. EDMISTON. The gentleman's comparison of West Virginia and the company operating in the District of Columbia is unfair, for this reason: There are as many living in the 10-mile square of the District of Columbia as we have in the whole State of West Virginia. The District of Columbia does not have to distribute its current over anything like the territory that we have.

Mr. RANKIN. There is a town of 60,000 people in West Virginia, the town of Charleston. On January 1, 1935, they were charging \$2 for 25 kilowatt-hours, where they charge 75 cents in the T. V. A. area. Your people are being robbed by the Power Trust, and we are trying to give them relief. [Applause.]

Mr. COOPER of Ohio. Mr. Chairman, I rise in opposition to the amendment. Much has been said during the last few minutes relative to the fair yardstick being used by the T. V. A. for the sale of electrical energy to the consumer. A few days ago, during the discussion of the utilities holding company bill, I called to the attention of the House some of the advantages that the T. V. A. has over private utilities, and I repeat again today what they are:

No measure of overhead and general expense of the Federal Government; no financing expense, no interest charges except that they might have to pay $3\frac{1}{2}$ percent on moneys while private utilities have to pay $6\frac{1}{2}$ percent on the same; no insurance charges, the Government carries the risk; no State or Federal workmen's compensation to pay; no real-estate tax to pay; no automobile taxes to pay; no gasoline taxes to pay; no 3-percent special Federal utility tax to pay; no Federal or State income tax to pay; no corporation tax to pay, and in the new tax bill which is being contemplated and will be before the House in a few days for

consideration we are expected to raise corporation taxes up to 17 percent. The T. V. A. has no corporation tax to pay and has the advantage of rebates on railroads for both freight and passenger service, free postage under the Government franking privilege, free legal counsel, free use of other Government departments, free use of office rooms in Federal buildings; together with immunity from expense for regulation, keeping its own accounts to suit its own purposes, including the charge-off on power costs to social uplift, navigation, improvements, and so forth.

I submit to the House that there is not a public utility in the United States that can live under such competition as that, and I say that this yardstick which they are talking about, this untruthful rubber yardstick by which the price of electrical energy shall be measured by the T. V. A., is unfair and un-American. [Applause.]

Mr. KELLER. Mr. Chairman, I represent the best developed and largest producing soft-coal district in the United States, the Twenty-fifth District of Illinois. It has the largest and best-developed mines in the entire world. I am 100 percent for the bill that is before this House when properly amended by the four amendments to be proposed by the gentleman from Alabama [Mr. HILL]. [Applause.] The justification of my position lies here: We have been afraid all of the time that water power would put coal out of business. We are afraid only because we do not know the facts. It has been a question for my investigation during my economic studies for many years. In the last 3 or 4 weeks, anticipating these bills coming along, I have secured information for this House which, if I am permitted to present, will compel every man to admit that the best thing that can happen to the coal industry of the country is to put through the T. V. A. to the fullest power and extent. I have no illusions about this. I have no feeling in the case. It is purely a matter of economics, a matter of common sense, and nothing else.

If the water power is sufficient to supply any large part of the power needed, there might be something to it. But what are the facts? Long ago it was brought out in this country by the great engineer Steinmetz that if every drop of water that fell within the borders of the United States could be used to absolute perfection, the entire rainfall, it could supply only 30 percent of the heat actually in use at that time, and a much less proportion of what we are now using. What part of that possible 30 percent can be produced economically?

At the present time about 7 percent of the entire electrical current in the country is produced from water power, and no more. You can add to that 7 percent another 3 percent, of water power, but you cannot add another single percent beyond that, economically. Therefore, we are faced with this proposition: If we are to use only the electricity we are using now, we can supply only 10 percent of it from water power. Laying aside the use of oil and gas for producing electric current, which, of course, is only of temporary importance, we face only one possibility of supplying the tremendous amount of power necessary in this country to do the great work that is facing us, not the little work now, but the great work of producing vastly more wealth than we have heretofore produced. We cannot do that unless we provide the proper power for that purpose, because at the bottom of all our industries lies the use of power, and that use depends on the cost of that power. I repeat what I said the other day, that the one biggest big business in this country in years to come is to be the production and distribution of electrical power, and nothing less than that. What are the sources? Ten percent water power when it is fully developed economically, and no more. What other source have we? The first thing that we must have in justifiable investment is permanence, so that we can calculate on an investment today and see what it is going to be 20 years from now, not what it would be in 1 or 2 years. What is that source of power? Just one. That is the great source of the soft coal of this country, because from that source we have in sight at the present

time enough to supply our entire needs for 5,000 years to come within the borders of the United States alone. [Applause.]

Let us note that temporarily the oil, and the gas arising from oil deposits, is cutting a small figure in the present production of power—about 5 percent—so that at present the total power outside that produced by coal is about 12 percent. The geologists estimate that even at this rate the oil and gas will be exhausted within another 15-year period. As prosperity returns, naturally a higher use than that for producing electric current will be found for the wonderful oils which nature has stored in the bowels of the earth. Then the common sense of conservation will prevent any great use of this supply except for the higher purposes of industry.

The production of power at a reasonable rate is a national question—one that will affect every individual in America. It lies at the very foundation of all industry, and the success or failure of industry depends primarily upon obtaining what we now call "cheap" electric current, as compared with the present rates, but what we ought to refer to as "reasonable" rates for electricity.

To illustrate what I am driving at: In actual practice, by the use of soft coal under reasonable conditions, electric current can be produced at 3 mills per kilowatt-hour on an average. To illustrate what this might mean, let us take into consideration that the 40 southern counties of Illinois, where the holding companies are in supreme control, the average rate to consumer is a fraction above 7 cents per kilowatt-hour what costs 3 mills to produce.

Of course, American manufacturing cannot compete with such electric rates as this when, notably in Germany, the production of electric current from soft coal is made on the basis as low as 1½ mills per kilowatt-hour, as it also can be produced under extraordinary conditions in our own country.

We, therefore, face this first question: How are we going to enter into competition with foreign industry in the foreign markets? The answer is obviously that we must first have electric rates as cheap as those available in foreign countries. It, therefore, resolves itself primarily into the production and distribution of electrical current at what we now consider a very low rate, but which, I repeat, is a fair rate under normal conditions.

We are not going to remain poor, unemployed, and inactive. If we were, our present production might largely suffice. Quite on the contrary, we are going to proceed with the creation and distribution of wealth in this country far beyond what we have done heretofore. Our very first step is to provide the basic elements of power under such conditions as to enable us to compete with other nations.

If our public-utilities concerns had from the beginning sought to serve the people at large and had been satisfied with a reasonable profit, there would have been no necessity for T. V. A. or for the coming coal authority, or any other governmental stimulus to power production.

The public-utility concerns have only themselves to thank for the coming of the competition which their outrageous prices have compelled the American people to seek. It has been the mistake of the public-utility companies to charge "all that the traffic would bear." Instead of coming into the court of humanity with clean hands, and offering to produce and distribute power at such rates as the engineers of the world know would be sufficiently profitable, they still might largely retain their former position. Not only are they unwilling to do this but they are using every means to maintain control along with prices which are commercially impossible. Industrial America cannot and will not permit any group to limit and impoverish industry and deny occupation to men.

The next question arises—what will be the effect of lower rates of electricity? Where the rates have been cut in two there has not been an increase merely, but a multiplication in the use of electrical current. That a much greater decrease than 50 percent can be made in many instances there is no doubt at all. In view of the coming rural electrification, and the completion of the electrification of the very partially electrified villages and cities; in view of the cer-

tainty that we are going to place our increases in manufacturing away from the present centers, all of which power must be supplied from new installations, it is justifiable to say that as soon as we can arrange for this development the amount of electric current which will be used will be a multiplication of all of the present electrical power, certainly a minimum of four times our present output.

All that current must be produced from soft coal of this country, and when we can arrive at that point of development it will not be a question of giving jobs to men in the coal mines but of getting enough men to fill the jobs which the new economy of plenty will bring about in this country. It should be suggestive, at least, that the miners' organizations are aware of these facts and are not opposing the T. V. A. Many believe in that development as one of the necessary steps toward bringing about the liberation of industry from those powers which have for years been exploiting it. Every coal field, favorably located and with favorable mining conditions, will receive a great impetus in the production of power as soon as electricity can be provided at reasonable rates.

As will be seen, the present proportion of current produced from water power and oil and gas is about 12 percent. But that is the limit that can be produced from those sources, and by the time water power has arrived at its full-grown development of 10 percent, the percentage of fuel oil and gas for production of electric current will have been discontinued. The other 90 percent must and will come from our 5,000-year supply of soft coal. When we multiply the present electric output, that entire increase must come from that soft coal. That will, of course, decrease the proportionate supply from water power.

It is fortunate for every coal mine and every coal miner, as well as for every American citizen, that the T. V. A. has opened our eyes to what electricity is to mean to the industry of this country. We should loyally support the T. V. A. development, learn from it, profit greatly from it as we are doing already. We should understand perfectly that the American people as yet do not, to any large extent, want public ownership. But the present utility companies on the other hand should also understand that if they continue to refuse fair rates and fair treatment, the people will, when compelled to, take charge of their own business. Because in fact as well as in theory all public utilities are but the agents of the people, empowered by them to carry on the people's business for them. And when those agents refuse to do their work well, the people have full power to remove those agents and do as they please with their own business.

We are making a fight for the coal industry at the present time. The achievements of the T. V. A. are its best guaranty of success. The man who fails to see the interrelation, the interdependence of the two, with the enormous increase in the use of soft coal, with the coming cheap rates, is overlooking the best interest of the coal mines, the coal miners, and the whole industry of the United States.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. McFARLANE. Mr. Chairman, I ask unanimous consent that the gentleman from Illinois [Mr. KELLER] have 5 additional minutes.

Mr. MILLARD. Mr. Chairman, I object.

The CHAIRMAN. The Committee has fixed the time. The gentleman from New York [Mr. TABER] is recognized for the remaining 5 minutes.

Mr. TABER. Mr. Chairman, I think we ought to look at this yardstick and talk about it a little so that the Members of the House, when they vote on this bill, will know what kind of a yardstick is being put up to them to measure the cost of producing electric power.

At the present time the revenue from this outfit, with approximately \$50,000,000 chargeable to power, according to their own story, is \$163,000 a year. It is estimated by the Tennessee Valley Authority, Mr. Lillenthal and Dr. Morgan, that at the end of 1940 there will be \$192,000,000 invested in power and dams, and that the gross revenue—not the net

revenue, but the gross revenue—will be \$5,000,000. Those who have looked at power-operation figures know that the cost of operation and of distribution to get rid of \$5,000,000 worth of power, with all that lay-out, is going to be four or five million dollars, and the net power revenue, after the distribution expense has been paid, is not going to be over a million dollars a year. With \$192,000,000 invested, the depreciation charge must be eight or ten million dollars a year in any event, and it should be nearer \$15,000,000. That means that the net loss, before interest is taken into consideration, is going to be nine or ten million dollars, if it is figured right and if it is figured honestly. When we figure interest at 3 percent that means \$6,000,000 more, and the net loss is going to be fifteen or sixteen million dollars a year.

Now, let me say to you that as you vote on these questions, the yardstick that is established, whether it is an honest yardstick to the taxpayers of the United States is going to be the question. The people of the United States, the people who pay taxes every time they go to a movie or every time there is anything that they do which is subject to a tax in the United States, are going to watch you and they are going to know whether you are setting up an honest yardstick or whether you are setting up a yardstick that robs the taxpayers of the United States as this proposal which Dr. Morgan and Mr. Lillenthal have set up. We must put some sense into our operations. We must protect the taxpayers of the United States against this operation. We must establish an honest yardstick, where they charge rates which are commensurate with the expense to which the taxpayers are put, and not one that will burden our taxpayers with an additional ridiculous charge.

I think we ought to be very careful how we proceed in this matter. [Applause.]

The CHAIRMAN. The time of the gentleman from New York [Mr. TABER] has expired.

The pro forma amendment was withdrawn.

The Clerk read as follows:

SEC. 2. That subdivision (j) of said section 4 of said act be, and the same is hereby, amended to read as follows:

"(j) Shall have power to construct such dams and reservoirs in the Tennessee River and its tributaries as, in conjunction with Wilson Dam, Norris Dam, Wheeler Dam, and Pickwick Landing Dam (hereafter to be known as 'Percy Quin Dam'), now under construction, the Aurora Dam, and the other dams enumerated in the report of the Chief of Engineers, March 15, 1930 (H. Doc. No. 328, 71st Cong., 2d sess.), and authorized by act of Congress approved July 3, 1930 (Public. No. 520, 71st Cong.), will provide with a 9-foot channel in the said river and maintain a water supply for the same from Knoxville to its mouth, and will best serve to promote navigation on the Tennessee River and its tributaries and control destructive flood waters in the Tennessee and Mississippi River drainage basins; and shall have power to acquire or construct power houses, power structures, transmission lines, navigation projects, and incidental works in the Tennessee River and its tributaries, and to unite the various power installations into one or more systems by transmission lines. The directors of the Authority are hereby directed to include in their next annual report their recommendations for the unified development of the Tennessee River system."

Mr. HILL of Alabama. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HILL of Alabama: Page 2, line 14, strike out all of section 2 and insert in lieu thereof the following:

"Sec. 2. That subdivision (j) of said section 4 of said act be, and the same is hereby, amended to read as follows:

"(j) Shall have power to construct such dams and reservoirs in the Tennessee River and its tributaries as, in conjunction with Wilson Dam, and Norris, Wheeler, and Pickwick Landing Dams, now under construction, will provide a 9-foot channel in the said river and maintain a water supply for the same from Knoxville to its mouth, and will best serve to promote navigation on the Tennessee River and its tributaries and control destructive flood waters in the Tennessee and Mississippi River drainage basins; and shall have power to acquire or construct power houses, power structures, transmission lines, navigation projects, and incidental works in the Tennessee River and its tributaries, and to unite the various power installations into one or more systems by transmission lines."

Mr. HILL of Alabama. Mr. Chairman, this is not one of the so-called "vital" amendments which I placed in yesterday's RECORD, but it is important from the standpoint of making certain and clear that the intent that the Congress

has in establishing a 9-foot channel in the Tennessee River is carried out.

The language of the amendment which I have offered is identical with the language carried in the bill offered by the gentleman from South Carolina [Mr. McSWAIN], chairman of the committee, as he originally introduced the bill and as he introduced the bill in what we term the "compromise" form. It is also the same language as was in the bill that passed the Senate.

The difficulty about the language now in the bill and the reason I offer the amendment is, gentlemen will note that the language now in the bill refers to the engineer's report adopted in the River and Harbor Act approved July 3, 1930, in the Seventy-first Congress. That report was unfortunately adopted by the Congress, but should never have been, as it recommends low navigation dams on the Tennessee River instead of high dams for navigation, flood control, and power. If now we tie the dam construction in the Tennessee River in with the report recommending the construction of low navigation dams, we will cause confusion and all kinds of trouble.

What I have offered in my amendment is the language of the bill as drafted by the engineers and lawyers of the Tennessee Valley Authority, as passed by the Senate, and as introduced by the Chairman of the Committee on Military Affairs.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HILL of Alabama. I yield.

Mr. McCORMACK. I notice the language of the bill as introduced contains, in line 19 of page 2, after the words "Pickwick Landing Dam", the phrase "hereafter to be known as 'Percy Quin Dam'", but that this latter phrase is not included in the gentleman's amendment.

Mr. HILL of Alabama. It was not in the original bill.

Mr. McCORMACK. But it is in the bill as reported by the committee.

Mr. HILL of Alabama. Yes; it was in the bill as reported; and, of course, my amendment would be subject to an amendment to put in that language.

[Here the gavel fell.]

Mr. HILL of Alabama. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BOLTON. In the opinion of the gentleman, does the responsibility for the development and maintenance of the Tennessee River lodge with the Tennessee Valley Authority or with the Corps of Engineers?

Mr. HILL of Alabama. With the Tennessee Valley Authority.

Mr. BOLTON. Does the gentleman think it proper to change an established policy in regard to the question of navigability?

Mr. HILL of Alabama. When we created the Tennessee Valley Authority they were charged with the responsibility of constructing the dams. They have control of the dams, and we thought they ought to have that responsibility.

Mr. BOLTON. I am talking about the question of navigability, the gentleman understands.

Mr. HILL of Alabama. Yes; I understand. Yes; they have control as to all features.

Mr. WILSON of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. HILL of Alabama. I yield.

Mr. WILSON of Louisiana. With reference to the flood-control feature, they have under contemplation a dam on the Ohio above Paducah at the junction of the Cumberland and the Tennessee. Would the T. V. A. have authority to construct that dam?

Mr. HILL of Alabama. On the Ohio River?

Mr. WILSON of Louisiana. Yes.

Mr. HILL of Alabama. No; the Tennessee Valley Authority is limited to dams on the Tennessee River and its tributaries.

Mr. WILSON of Louisiana. This involves the Cumberland, the Tennessee, and the Ohio Rivers above Paducah, which could be construed to come within that field.

Mr. HILL of Alabama. The Tennessee Valley Authority has jurisdiction only in the Tennessee River and its tributaries.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. HILL of Alabama. I yield.

Mr. WHITTINGTON. This bill and the gentleman's amendment are confined to the Tennessee River and its tributaries.

Mr. HILL of Alabama. Yes.

Mr. WHITTINGTON. Both are covered by the amendment and the pending bill.

Mr. HILL of Alabama. The basic act, of course, takes in only the Tennessee River and its tributaries, and that is all this bill takes into consideration.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. HILL of Alabama. I yield.

Mr. SNELL. In a few words, just what is the difference between the gentleman's amendment and the language stricken out?

Mr. HILL of Alabama. The only difference is that the section I have stricken out refers to the engineers' report. As I have said, this report was made in the year 1930, before the Tennessee Valley Authority was conceived, and many of the recommendations in the report are based on the construction of low-navigation dams rather than high-navigation, flood control, and power dams; and we have adopted the policy down there in the Tennessee Valley of constructing high dams.

Mr. SNELL. As a matter of fact, one object in setting up the Tennessee Valley Authority was to control navigation and stream flow.

Mr. HILL of Alabama. That is correct.

Mr. SNELL. Heretofore that has always been left with the Board of Engineers.

Mr. HILL of Alabama. No; the basic Tennessee Valley Act placed the construction of all these dams in the Tennessee Valley Authority. There is no change from the basic act so far as this section is concerned, except it specifies that there must be a 9-foot channel.

Mr. SNELL. I know, but under preceding acts it was always left with the Army engineers.

Mr. HILL of Alabama. No; not under the basic Tennessee Valley Act.

Mr. SNELL. I mean in all acts before the Tennessee Valley Act.

Mr. HILL of Alabama. Before the Tennessee Valley Authority was established, of course, the gentleman's statement is right; the engineers were our only available source of authority on these rivers; they made the surveys of the rivers.

Mr. SNELL. But the gentleman is going to change that and give it to the Tennessee Valley Authority.

Mr. HILL of Alabama. It has already been changed by the act of 1933.

Mr. SNELL. If it has already been changed, why is this additional legislation necessary?

Mr. HILL of Alabama. It just perfects the basic act; that is all.

Mr. McSWAIN. Mr. Chairman, will the gentleman yield?

Mr. HILL of Alabama. I yield.

Mr. McSWAIN. Boiled down to one sentence, the purpose of any legislation at all on this subject was to specify legislatively what was meant by navigability; and we specified that by saying that there shall be a 9-foot channel. That is all that is said.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. HILL of Alabama. I yield.

Mr. SNELL. And in doing that is it not being changed from a navigation proposition to a power proposition?

Mr. McSWAIN. No; you are making it strictly navigation, undoubtedly.

Mr. SNELL. But you are doing it for that purpose.

Mr. McSWAIN. I do not think so. I think it is a navigation feature, pure and simple.

Mr. HARTER. Does the proposed amendment to section 2 of the House bill strike out the language on page 3, beginning in line 10?

Mr. HILL of Alabama. No. I put that in the amendment.

Mr. HARTER. That is included in the amendment?

Mr. HILL of Alabama. That is included in the amendment.

Mr. HARTER. So the directors of this project must make a report to Congress together with their recommendations?

Mr. HILL of Alabama. The language in the amendment is identical with the language in the bill so far as that last sentence is concerned, I may say to the gentleman.

Mr. EATON. Will the gentleman yield?

Mr. HILL of Alabama. I yield to the gentleman from New Jersey.

Mr. EATON. Is it necessary to have these high dams in order to get a 9-foot stream of water for navigation?

Mr. HILL of Alabama. No; it is not.

Mr. EATON. Then the high dams, as I understand it, are to be put there for power purposes only?

Mr. HILL of Alabama. No. It is necessary to have these high dams in order to get flood control as well as power.

Mr. KVALE. Will the gentleman yield?

Mr. HILL of Alabama. I yield to the gentleman from Minnesota.

Mr. KVALE. In connection with the language in the last sentence referred to, will the gentleman include in his remarks at this point the references to section 2 which appear in my supplemental report?

Mr. HILL of Alabama. Does the gentleman mean to extend my remarks by putting in that information?

Mr. KVALE. Yes.

Mr. HILL of Alabama. I shall be glad to do so. I want to say on this floor that the construction of the Aurora Dam for which the gentleman from Kentucky [Mr. GREGORY] and the gentleman from Tennessee [Mr. TURNER] have worked and labored so long and so valiantly is authorized. I cannot yield further.

Mr. Chairman, I respectfully submit and will undertake to show to my colleagues that the navigation-improvement plan adopted in the River and Harbor Act, approved July 3, 1930, providing for a navigable depth of 9 feet at low water from the mouth of the Tennessee River to Knoxville by building 32 low dams—unless power companies came forward and proposed to build high dams under the Federal Water Power Act—was, in the light of subsequent facts and events, an incredible mistake.

The River and Harbor Act of July 3, 1930, authorized appropriations of \$5,000,000 for the prosecution of this work of building low dams. In a communication dated December 7, 1931, to the Secretary of War, which he transmitted to Congress, the Chief of Engineers requested an additional authorization of \$17,500,000, making a total of \$22,500,000 for building eight of these low navigation dams between the head of Colbert Shoals and Hales Bar Lock and Dam below Chattanooga. The additional authorization of \$17,500,000 requested by the Chief of Engineers for this work was not granted by Congress. However, out of funds provided in the Reconstruction Finance Act and allocated for river and harbor work, the Chief of Engineers started the construction of a lock—designed for 9-foot navigation—at the Wheeler Dam site. The construction of this lock was the first step toward the completion of a costly and irreparable mistake. Happily, President Roosevelt corrected the mistake made by Congress in adopting the policy of building 32 low dams on the Tennessee River, and the reason I press the facts about this matter upon the attention of my colleagues is that I, after as sober thought as I can give the matter, greatly fear that if the House refuses to pass the amendments to the T. V. A. Act which the President desires, we are going to make another fearful mistake about the Tennessee River, and one which the President cannot correct for us.

After the President's visit to Muscle Shoals in January 1933, he ordered that the low lock then building at the

Wheeler Dam site be redesigned for a high dam. This was done, and in due course the President ordered the Wheeler Dam built. The Membership of the House knows, without further detail, Mr. Chairman, that the President has abandoned the building of 32 low navigation dams on the Tennessee River and proposes to build, instead of these low dams, 7 high dams and locks between the mouth of the Tennessee River and Knoxville, Tenn.

Just as briefly as possible, and with as few detail figures as possible, let us make an estimate of what the President saved the taxpayers of the country by adopting the high-dam plan instead of the low-dam plan adopted by Congress.

The engineers' estimate and report, based upon their experience in operating similar low dams on the Ohio River, that it will cost \$40,000 per year for maintenance and operation of each of the 32 low dams. Therefore, the annual cost for maintenance and operation of the 32 low dams would be \$1,280,000. The annual cost of maintaining and operating the seven high dams would be \$40,000 each, or a total of \$280,000 annually. The difference between the cost of maintaining and operating the 32 low dams and 7 high dams would therefore be \$1,000,000 annually. In 50 years the saving would be \$50,000,000, and in 100 years the saving would be \$100,000,000 in the cost of maintenance and operation.

Let us assume, for the purposes of this discussion and without claiming precision for the figures, that the cost of building seven high dams for navigation only, with no power installation, will be \$20,000,000 each, making a total of \$140,000,000. The Government at the end of 100 years would have \$140,000,000 invested in the building of seven high dams for navigation only, all without interest and no sinking fund, and would have also invested \$28,000,000 as the expense of maintaining and operating seven high dams for 100 years, making a total investment in the seven high dams in 100 years of \$168,000,000.

The 32 low dams are estimated by the engineers to cost a total of \$75,000,000. The cost of maintenance and operation of 32 low dams for 100 years would be \$128,000,000, and at the end of 100 years the Government would have invested in the 32 low dams as the cost of construction and operation a total of \$203,000,000. Therefore, at the end of 100 years this shows that the Government would have \$35,000,000 less invested in the high dams and locks, for navigation only, than the Government would have invested in 32 low dams and locks for navigation only. In other words, in 100 years the Government would save \$35,000,000 by building the high dams, or \$350,000 per year; and, Mr. Chairman, the high dams, without power, would give flood control, and the low dams would provide no flood control.

Let us consider what the President saved in one item only by ordering the high dam built at the Wheeler Dam site. The power companies offered the Government in 1926, \$600,000 annually for the increase in primary power at the Wheeler Dam, due to the regulated flow of the river in dry seasons, available by the building of the Norris Dam. This saving, by building the high Wheeler Dam, would amount to \$30,000,000 in 50 years and \$60,000,000 in 100 years.

Col. Hugh L. Cooper, in a letter to former Congressman McKenzie, Chairman of the Coolidge Muscle Shoals Commission, stated that the regulation benefits created by building such a dam as the Pickwick Landing Dam would be worth about \$1,000,000 a year to the utility power operations of the Wilson Dam. Colonel Tyler, the engineer-adviser to the Hoover Muscle Shoals Commission, in 1931 definitely and in detail confirms Colonel Cooper's statement.

It is, indeed, worth while to say that Colonel Tyler, conservative in his report almost to the point of unfairness, estimated that in 5 years a public utility could afford to pay an annual rental for existing properties at Muscle Shoals of about \$1,600,000 per annum in addition to all costs of operation. Colonel Tyler says, however, that if and when a navigation or power dam is built in the vicinity of Colberts Shoals—and this means Pickwick Landing Dam—that the Wilson Dam can be operated at peak load, and that the net rental value to the public utility of Wilson Dam, above all

costs of operation, would be approximately \$3,000,000 a year. You will note, Mr. Chairman, that Colonel Tyler estimates the regulating value of the pool created by the Pickwick Landing Dam as worth \$1,400,000 a year.

Under the T. V. A. Act the President ordered the Norris Dam built. It therefore is very important for the House to remember—to recall the fact—that the power companies in 1926 offered the Government \$1,200,000 annually for the benefits of flow regulation at Wilson Dam from the Norris Dam.

My colleagues, let us keep books together in behalf of the taxpayers, for next to national defense the taxpayers should have first consideration by us on the Tennessee River.

With Norris Dam built, Wheeler Dam built, and Pickwick Landing Dam built—and they are all building under the order of the President—there will be an increased rental value at the Wheeler Dam by building Norris Dam of \$600,000 a year, and this was the offer made by the power companies for Norris Dam benefits in 1926, and there will be an increased rental value of \$1,200,000 at the Wilson Dam from regulated flow by building the Norris Dam; and there will be an increased rental value of \$1,000,000 or more at the Wilson Dam power station from the regulating pool created by the Pickwick Landing Dam and the total of all these increased revenue or rental values from regulation benefits only amount to \$2,800,000 annually. Let us, Mr. Chairman, call it \$3,000,000, and according to Colonel Tyler's figures, that will be very conservative.

It would be a reflection upon the intelligence of the Membership of this House for me to offer further figures proving that Congress made a frightful mistake in 1930 in adopting the 32 low-dam projects for the improvement of navigation of the Tennessee River.

Mr. Chairman and my colleagues, who corrected the great mistake which Congress made in adopting the low-dam projects on the Tennessee River? Nobody, Mr. Chairman, except President Franklin D. Roosevelt himself. What reward—what thanks—what tribute—what courtesy—has the President received for his great constructive statesmanship in saving the United States Congress from criticism in the future by correcting our mistakes? Instead of the President—as he greatly merits—being highly rewarded—instead of expressing gratitude to him in the name of the taxpayers of the country, whom we represent here, the President is denounced for ordering the Norris Dam built, and the entire Norris Dam project is declared to be a shameful waste. The President's reward and the thanks he gets for ordering dams built which will yield, from regulation benefits only, \$3,000,000 increased revenues or rental values annually at the Wilson Dam and Wheeler Dam—and \$3,000,000 is 3 percent on \$100,000,000—is that when the President asks the House to provide for \$100,000,000 of bonds in the T. V. A. Act, the President and the Tennessee Valley Authority are told that they can only have \$50,000,000 of bonds. When the President asks for amendments to the T. V. A. Act that will aid him and the Authority to make it possible for the Authority to operate the Wilson-Wheeler-Pickwick Landing Dam projects so that these increased earnings and rental values may be realized, the President and the directors of the Authority are, by some, denounced and defamed.

Mr. Chairman, what would 435 sound businessmen—taxpayers—assembled together, as we are, say to the President and to the Authority in reply to these requested amendments to the T. V. A. Act? These taxpayers would want to know what rate of interest and on what amount of capital the President and the Authority proposed to pay the Government. They would ask, "Do you ever expect to pay back to the Government any part or all of the cost of building these navigation, flood-control, power dams?" If these taxpayers were told by the Authority that they can pay 3 percent on 40 percent of the total cost of each project, and by way of an annual compound interest sinking fund would pay back the entire cost of each project, say, in a period of 60 years, these taxpayers would say, "Well, if you can do that, we will furnish you the money." If somebody got up in the taxpayers' convention and called attention to the criticism of the Presi-

dent and the Authority and detailed the various faults of the directors, as has been detailed before our committee and will be detailed in this debate in the House, those hard-headed, business-minded taxpayers would say, "All those things you are now telling us about are just peccadillos"; and the peccadillo speaker would be voted out.

These taxpayers would be keenly interested when shown that by stream flow and pool regulation \$3,000,000 increased revenues could be earned annually. You would find these old taxpayers sharpening their pencils and figuring what these increased earnings at all of the dams below the mouth of the Clinch would amount to annually, if the increased earnings from Norris Dam regulation amount to \$1,200,000 at the Wilson Dam, and \$600,000 at the Wheeler Dam, and \$1,000,000 a year at the Wilson Dam from Pickwick Landing Pool regulation.

These taxpayers would ask, "Well, what will be the increased primary power, say, at Hales Bar due to stream regulation from the Norris Reservoir?" They would be told, of course, that the sustained primary power at Hales Bar during the dry season would not be less than 40,000 horsepower. The interest of these taxpayers would grow keener, and they would insist upon being told what the total increased revenues would amount to by stream regulation at all of the eight dams below the mouth of the Clinch River. Mr. Chairman, the Authority would probably tell these taxpayers that the total benefits from Cove Creek regulation at all the dams below the mouth of the Clinch River could not at present be accurately stated but that the total would probably be not less than 250,000 horsepower.

Mr. Chairman, I cannot tell the House what the total will be, because I do not know, but if it is as much as 250,000 horsepower, then these taxpayers would scratch their heads and use their pencils again, and when they found that the increased earnings or rental value might amount to more than \$4,000,000 a year—or even \$3,000,000 a year, and \$3,000,000 a year would be 3 percent on \$100,000,000—these taxpayers would say to the Authority directors, "Well, they say you have been guilty of some peccadillos, and all we have got to say to you is, Cut out as many of your peccadillos as you can, and don't allow any big peccadillos—we won't grumble about a few little ones." These taxpayers would pay to the T. V. A. directors, "We will ask our Representatives in the House to pass the amendments to the T. V. A. Act which you have requested."

If it were pointed out to these taxpayers in convention that the difference between the maintenance and operation of 17 low-navigation dams and 3 high-power navigation dams between Chattanooga and Knoxville, is the difference between \$680,000 a year and \$120,000 a year, and that with the low dams there would be 17 lockages for boats between Knoxville and Chattanooga and only 3 lockages with the high dams, and that the low dams would furnish no power, and no flood control, and that 2 of these dams would lose the value of regulated flow from Cove Creek, these taxpayers would be asking right away, "Well, who ever proposed to build these low dams and waste the power and lose the flood control?"

These taxpayers would have to be told that the Congress of the United States approved the building of these low dams, but that President Roosevelt had ordered the high dams built, and then forthwith these old taxpayers would applaud Mr. Roosevelt, and they would appoint a committee and instruct that committee to go to the President and tell him that they approved his T. V. A. program, and that they would ask their own representatives in the House to vote for all the amendments which he desired.

Now, Mr. Chairman, I do not even intimate that the Members of the House cannot fairly and justly say that Congress, in approving the low-dam navigation project plan on the Tennessee, did not have the unqualified recommendation of the engineers; but, even so, Mr. Chairman, we should not be less grateful to the President for correcting our mistake by ordering the high-dam plan adopted.

The President, when at the Wheeler Dam in December last year, did not criticize Congress for adopting the low-dam project. The President, with that consideration and modesty which so "becometh a great man", said in substance that when he went back to Washington after his visit to Muscle Shoals in January 1933 he ordered a high lock built for a high dam at the Wheeler Dam site.

Now, Mr. Chairman, if there are any Members of the House who are still in favor of the incredibly wasteful low-dam plan instead of the profitable high-dam plan adopted by the President, then those Members who are still for the low-dam plan are in precise agreement with the witnesses put on the stand by the power company's attorneys in Judge Grubb's court, who, without batting an eye and without a blush of shame, testified for the power companies that the low-dam plan was a cheaper plan for the Government than was the high-dam plan. There was a time, Mr. Chairman, when the power companies wanted the high dams built, and as soon as the opportunity was presented to them they applied for all of the power dams which the engineers had reported upon and located north of Chattanooga on the main stream up to Knoxville, and all the power dams on the Clinch. What they mean is that if they are not permitted to have these power-navigation dams, if and when they desire to develop power at them, they are opposed to the building of these navigation power dams at all. They are determined to defeat, if possible, President Roosevelt's plan to build these high dams by the Government for the national security of the Nation and for the social and industrial welfare of the people of this country.

Mr. Chairman, with the indulgence of the House, I desire to remind all my colleagues, for their most serious consideration and sober reflection, of what Col. Hugh L. Cooper stated at a hearing on February 17, 1922, before the Committee on Military Affairs, and I quote his statement with reference to the Ford offer:

I would like to conclude this part of the statement by saying that as a net result of the proposition as it is written, Mr. Ford will be getting the cheapest power on the American Continent.

This statement by Colonel Cooper naturally raises the question, Where is the cheapest power on this continent and who owns it? Reflecting over this statement of Colonel Cooper's, I determined to try to locate the cheapest power on this continent, with the serious thought in mind that the nation on the American Continent which has the largest development and surplus of the cheapest power is best prepared for national defense, and that the nation which has the cheapest power can produce the cheapest aluminum, the cheapest magnesium metal, the cheapest high-tensile alloy steels, such as stainless steels, all so necessary and indispensable now to national defense and so necessary for the most economic solution of our aircraft, rail, highway, and water transportation problems.

Mr. Chairman, I truly believe that my findings will interest every Member of this House, and I sincerely hope that my findings will cause every Member of this House, upon sober reflection, to decide as I have decided, that we owe it to ourselves and to the people we represent here, and to the national defense of our country to take a new and enlarged view of the Tennessee Valley Authority Act and highly resolve among ourselves to measure up to the President's intellectual and statesmanlike conception of what the Tennessee River and the T. V. A. really mean to the future of this Nation.

Mr. Chairman, before giving the House the results of my researches with reference to the question of the cheapest power on the American continent, I think it would be informing and useful to the Members of the House to briefly tell them that Colonel Cooper has been a consulting engineer for more than 30 years. He has built several water powers in different parts of the world, and he built one at Niagara Falls; he built the Keokuk Dam and power project on the Mississippi at Keokuk, Iowa; and one at McCalls Ferry, Pa.; one in Brazil; one in Chile; several in Canada; and he was the consulting engineer for the Government at Muscle

Shoals during the building of the Wilson Dam, and finally, to crown his career, he built the great water power on the Dneiper River in Russia.

My investigations disclose that power costs 3 mills per kilowatt-hour at the Alcoa Tenn., aluminum plant, and this power is furnished from the Aluminum Co.'s power developments on the Little Tennessee River. Mr. Davis, of the Aluminum Co., stated before our committee in a recent hearing that power at Alcoa costs 3 mills per kilowatt-hour, and this confirmation of the results of my own researches causes me to have confidence in other rates for power which my researches disclosed.

Dr. Mantell, of the Pratt Institute, Brooklyn, N. Y., in his books, *Sparks from the Electrode*, gives a list of the cost of power at different important power development points in different countries of the world. At the Arvida aluminum plant, in the Province of Quebec, Canada, Dr. Mantell reports the power supplying this plant from the Saguenay River power development of the Aluminum Co. costs 1 to 1½ mills per kilowatt-hour. He says power costs 1½ mills at Shawinigan Falls, Province of Quebec, Canada. Also, Dr. Mantell says that in Ontario, Canada, power costs as low as 1½ mills. He gives rates for hydropower in many other places in other countries ranging from 2 mills to 3½ mills per kilowatt-hour.

I will omit further details of rates on power and briefly report to the House that the most interesting discovery I made in my researches is that the Aluminum Trust, through its subsidiary, the Alcoa Co., Ltd., Quebec, Canada, owns the great power development on the Saguenay River, known as the "Shipshaw Chute a Caron", with 260,000 horsepower installation, and with an ultimate power installation planned of 1,260,000 horsepower, and this power costs not over 1½ mills per kilowatt-hour.

There has been installed by the Shawinigan Water & Power Co., a subsidiary of the Aluminum Trust, at three power sites on the St. Maurice River, Province of Quebec, 779,500 horsepower, with plans for increasing this installation up to 859,500 horsepower.

It therefore will be obvious that the Aluminum Trust has 260,000 horsepower installed on the Saguenay River serving power to the Arvida aluminum plant, ultimately to be the greatest aluminum plant in the world, and that the trust has installed 779,500 horsepower at Shawinigan Falls, Quebec, with plans for future installations up to a grand total of 2,119,500 horsepower at all of the developments of the Aluminum Trust on the Saguenay and St. Maurice Rivers, Province of Quebec, Canada.

None of this Aluminum Trust power in Quebec, Canada, costs more than 1½ mills per kilowatt-hour, but when the ultimate installations are completed on the Saguenay and St. Maurice Rivers it is reasonable and conservative to estimate that the Aluminum Trust's power in Canada at these Quebec developments will not cost more than 1 mill per kilowatt-hour.

Mr. Chairman, I ask the Members of this House if they do not agree with me that this is most important information, and if they do not further agree that the important question at Muscle Shoals is, Can the T. V. A. produce power at the Wilson Dam, for example, as cheaply as the Aluminum Trust produces its power in Canada?

In connection with these power cost rates which I have given to the House I am sure it will be of interest to the Members of the House to know that Dr. Mantell, in his little *Sparks from the Electrode*, states that it requires 12 kilowatt-hours to produce a pound of aluminum; that it requires 13 kilowatt-hours to produce a pound of magnesium; that it requires 3,000 kilowatt-hours to produce a ton of carbide; and, mark you, my colleagues, he says that it requires 500 kilowatt-hours to produce a ton of electric steel.

Mr. Chairman, the House will note that Aluminum Trust power costs twice as much at Alcoa, Tenn., as it does at Arvida and Shawinigan Falls, Province of Quebec. In a word, the history of the power development on the Saguenay River and the building of the great aluminum plant at Arvida is that James B. Duke owned the Saguenay power and proposed to build an aluminum plant.

The Aluminum Trust became alarmed lest competition by Duke's plant might put an end to the Aluminum Co.'s monopoly, and the trust proposed to Duke the organization of an aluminum company in Canada, and that Duke join the Aluminum Co. of America in its monopoly, and that they not compete with each other. Happily—and I rejoice at it—my colleagues, if the T. V. A. can produce at Muscle Shoals as cheaply as the trust produces power on the Saguenay River, the way is pointed out to us to free the people in the United States from Mr. Mellon's aluminum monopoly.

Mr. Chairman, if power costs 3 mills per kilowatt-hour, the power to produce a ton of electric steel in an electric furnace would cost \$15, but if power costs 1½ mills per kilowatt-hour, it would cost \$7.50 to produce a ton of electric steel. According to press dispatches from Chicago, there has been a rustless, stainless steel coal car on exhibition at the Union Station in Chicago in the last 10 days. The point I desire to make will be so clear to you that I need not explain further.

It will interest the House, I feel sure, to know that France has the largest reserve deposits of bauxite ore of any country in the world, but Canada, with the cheapest power in the world, leads France in the production of aluminum. Pertinent to this point in my remarks is a dispatch which I read in the papers a few days ago that France had prohibited the export of aluminum and aluminum scrap to Germany.

Mr. Chairman, in the field of national defense, that country with the largest production of aluminum and with the cheapest water power to produce it is the best prepared for war—in the air, on the land, and on the sea.

Mr. Chairman, I hope the Members of the House will indulge me to say that I should have advised the House farther back and at the appropriate place in my remarks that the Aluminum Trust has installed at all of its developments for aluminum operations in the United States 526,455 horsepower, and has plans for future installations of approximately 200,000 horsepower.

From investigations I made in April and May 1933, and from information I secured which I believed then—and believe now—was reliable, I confidently believe that the T. V. A. can produce power at Muscle Shoals for 1 mill per kilowatt-hour. I do not mean that the Authority can do so now, that is impossible under the circumstances, but when some of their present developments have proceeded to completion and when they are permitted to do so by the power interests, I even believe the Authority will produce power at Muscle Shoals for less than 1 mill per kilowatt-hour.

Mr. Chairman, it is interesting to find how, in the careers of certain great statesmen of modern times, their names have been notably associated with waterways and canals. The crowning event that gives Disraeli's name the greatest renown as a statesman was his purchase of the Suez Canal shares from the Khedive of Egypt. The peak of Theodore Roosevelt's standing as one of the world's most illustrious statesmen was the building of the Panama Canal. Mr. Chairman, the time will come when the Wilson Dam will not be, as has been said, Wilson's folly, but Woodrow Wilson's fame.

Mr. Chairman, let me declare to you—and I like to declare it because I believe it—that if this House will perform its part, loyally supporting the President and the T. V. A., the T. V. A. and the Tennessee River will stand as the most brilliant accomplishment of the most brilliant statesman of our day and time—Franklin D. Roosevelt.

Mr. Chairman I have studiously—I have carefully—refrained from indulging in horse-power politics in my remarks to the House on this bill. I believe that the opponents of the amendments to the T. V. A. Act which the President desires are wrong and that those who oppose the President in this matter are more mistaken and are making a greater blunder than Congress did when it adopted the low-dam navigation improvement plan on the Tennessee River.

If, with the pathway of the Republican Party for the last 15 years lined and marked by Muscle Shoals skeletons, fail-

ures and defeats, the party still thinks it must stand by and with the power interests of this country against the people of the country, and continue to fight President Roosevelt's T. V. A. policies, and if the Republican Party, as has been intimated, insists upon making the Tennessee Valley Authority an issue in the next Presidential campaign, let them do it—

And damn'd be him that first cries, "Hold, enough!"

Mr. FADDIS. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from Alabama.

The Clerk read as follows:

Amendment by Mr. FADDIS to the amendment offered by Mr. HILL of Alabama: After the words "Pickwick Landing Dam" insert the words "hereafter to be known as Percy Quin Dam."

Mr. FADDIS. Mr. Chairman, I am happy to say in connection with the drafting of this bill that there was at least one amendment placed in the bill in which all of the Members were in hearty accord. It was placed in the bill by unanimous vote of the committee. That was the amendment to change the name of the Pickwick Landing Dam to Percy Quin Dam. The members of the committee considered it was a worthy tribute to a man who had spent 20 years of his life as a member of the Committee on Military Affairs, a man who had been intensely interested in this proposition, and a man who was Chairman of the Committee on Military Affairs at the time of his death. That is the reason this amendment was placed in the bill, and it was placed there by a unanimous vote of the committee. I hope the gentleman from Alabama [Mr. HILL] will accept this amendment to his amendment, and I believe he unintentionally omitted this part of the language of the bill in drafting his amendment.

Mr. TAYLOR of Tennessee. Will the gentleman yield?

Mr. FADDIS. I yield to the gentleman from Tennessee.

Mr. TAYLOR of Tennessee. Having been in the midst of this fight for 12 or 14 years, and knowing of the activity of Percy Quin, deceased, and his interest in this legislation, I want to congratulate the gentleman on offering this amendment.

Mr. McSWAIN. Will the gentleman yield?

Mr. FADDIS. I yield to the gentleman from South Carolina.

Mr. McSWAIN. I feel duty bound to make a statement in regard to Percy Quin, the great zeal he displayed, and his very effective labors in behalf of conserving the power at Muscle Shoals in the interest of the people.

In February 1932, shortly after he became Chairman of the Committee on Military Affairs and while holding hearings regarding a bill then relating to Muscle Shoals, he was stricken with a fatal malady of the heart. He was taken from the room by some of his colleagues, and the responsibility of conducting the hearings fell upon my shoulders. There was trouble in the committee. There has always been trouble in that committee. Mr. Quin sent word by his wife that I should come to the Naval Hospital to see him. He could not talk very much, but he held up his hand like this as he lay flat on his back and said: "Mac, tell the boys to stick by the faith."

I think a man who died with Muscle Shoals on his lips as the result of long years of struggle and effort in behalf of this great project ought to have his name and memory perpetuated in the way proposed by the amendment offered by the gentleman from Pennsylvania. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania to the amendment offered by the gentleman from Alabama.

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. HILL] as amendment by the amendment offered by the gentleman from Pennsylvania [Mr. FADDIS].

Mr. TURNER. Mr. Chairman, I ask unanimous consent that the amendment as amended may be read.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the Hill of Alabama amendment as amended.

Mr. McLEAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it must be perfectly obvious what the purpose of this amendment is. The members of the Committee on Military Affairs were impressed with the fact that the Tennessee Valley Authority had ignored the Congress and made no report. We have no knowledge of what their program is, what they intend to do, or in what manner they intend to do it. There was, however, available to the Congress of the United States the very excellent report of the Chief of Engineers, which was made at considerable expense. In an effort to bind these gentlemen to some sort of a program and some sort of orderly procedure we required them to follow the researches, the determinations, and recommendations of the Board of Engineers of the United States Army, which had been incorporated in the Rivers and Harbors Act of 1930.

This amendment which is proposed has for its purpose the elimination of any reference to that report of the Board of Engineers and to turn over to the Tennessee Valley Authority exclusive jurisdiction, judgment, and control. They will be themselves the judge of the engineering features of the undertaking without any regard to what has been done in the past by the Congress and the Board of Engineers.

Furthermore, the mention of these dams, the Pickwick Landing Dam, the Wheeler Dam, and the other dams, can have this effect. These dams were not authorized by Congress. The Authority was not authorized to build these dams. They proceeded on their own initiative to build them, and the recognition of these dams by this act of Congress validates all that has been done and confers upon the Tennessee Valley Authority powers far beyond anything we have ever given them before and makes them completely a free lance to use the moneys of the Treasury of the United States and bind the country to undertakings without limitation and beyond the control of the Congress. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama as amended.

The question was taken; and on a division (demanded by Mr. McLEAN and Mr. SHORT) there were—ayes 138, noes 55.

So the amendment, as amended, was agreed to.

The Clerk read as follows:

SEC. 3. That said section 4 of said act be, and the same is hereby, further amended by adding a new subdivision, (k), at the end of said section as follows:

"(k) At any time before the expiration of 5 years from the date when this section, as amended, becomes law may in the name of and as agent for the United States and subject to approval of the President, dispose of any of such real property as in the judgment of the Board may be no longer necessary in carrying out the purposes of this act, but no land shall be conveyed on which there is a permanent structure heretofore or hereafter built by or for the United States or the Authority."

Mr. McSWAIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McSWAIN: Page 3, line 14, strike out all language of section 3 and insert the following language:

"SEC. 3. That said section 4 of said act be, and the same is hereby, further amended by adding a new subdivision, (k), at the end of said section as follows:

"(k) May at any time within 5 years from the date of this act, in the name of and as agent for the United States and subject to approval of the President, dispose of any of such real property as in the judgment of the Board may be no longer necessary in carrying out the purposes of this act, but no land shall be conveyed on which there is a permanent dam, hydraulic power plant, fertilizer plant, or munitions plant, heretofore or hereafter built by or for the United States or for the Authority."

Mr. McSWAIN. Mr. Chairman, by way of explanation of why this amendment is desirable, you will observe that the language of the bill which was reported, in line 24, prohibits the conveyance of any land on which there is a permanent structure.

After the bill had been reported it was called to my attention that since it was necessary to relocate a great many roads through the construction of such dams as the Norris Dam at Cove Creek, it fell upon the Authority to establish new roads and to build bridges wherever necessary, and it was believed that there might be danger in this inhibition against the conveyance of any land on which there was a permanent structure and it might be interpreted that a road or a bridge that had been built in substitution for a road that had to be relocated, is a permanent structure and so could not be conveyed. For this reason we have proposed this amendment against the conveyance of land on which there is a dam or power house or a facility of that kind so as not to include a road or bridge.

This is the sole purpose of the amendment. It is only a perfecting amendment and I ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina.

The amendment was agreed to.

The Clerk read as follows:

SEC. 4. That subdivision (c) of section 5 of said act be, and the same is hereby, amended to read as follows:

"(c) To cooperate with National, State, district, or county experimental stations or demonstration farms, with farmers, landowners, and associations of farmers or landowners, for the use of new forms of fertilizer or fertilizer practices during the initial or experimental period of their introduction, and for promoting the prevention of soil erosion by the use of fertilizers and otherwise. The Board is also authorized to experiment in the extermination of noxious weeds and the destruction of plants injurious to agriculture by means of the application and use of chemicals and by other means appropriate to these purposes."

Mr. BUCHANAN. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 4, line 9, strike out the last two words in line 9 and all of lines 10, 11, 12, and 13.

Mr. BUCHANAN. Mr. Chairman, the language I propose to strike out is as follows:

The Board is also authorized to experiment in the extermination of noxious weeds and the destruction of plants injurious to agriculture by means of the application and use of chemicals and by other means appropriate to these purposes.

Just how this language came to be put into this bill I am unable to say. It is foreign to every purpose of the Tennessee Valley Authority. It is a duty of the Agricultural Department, which has exercised jurisdiction over it for many years.

It covers a subject for which we make appropriations every year for the Agricultural Department and the land-grant colleges and the experimental stations, covering noxious weeds throughout the United States and the methods of their destruction. At this session we appropriated \$65,000 especially in the agricultural appropriation bill, part of which was to be used in cooperation with the T. V. A. in developing chemicals for the extermination of weeds. Just why they want to build up another vast department under the Tennessee Valley Authority I cannot see. Why should they do that when you have in the Agricultural Department the best corps of experts on this subject?

Mr. MAY. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. MAY. The only reason I can see is that they wanted another avenue in which they might spend vast sums.

Mr. BUCHANAN. I am trying to give the House a chance to stop that.

Mr. LUCKEY. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. LUCKEY. I think I can give the gentleman information as to why that language was put in the bill.

Mr. BUCHANAN. The gentleman means the European morning glory?

Mr. LUCKEY. Yes.

Mr. BUCHANAN. Let me tell you something about the European morning glory. The land-grant college of Kansas for 9 years has been experimenting with the European morning glory. They published a bulletin covering their methods of dealing with it by chemicals. I have no objection to the Tennessee Valley Authority furnishing the Agricultural De-

partment with chemicals, but let the investigation go on through the department that has been administering it for 50 years.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. Let me finish this. There are hundreds of noxious weeds. We have the loco weed all over the West, for which we have made appropriations of thousands of dollars. There are the European morning glory and the Russian thistle. Why start this Authority spending money on something that our experts in the Department of Agriculture and in the various States are investigating every year?

Mr. McSWAIN. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. McSWAIN. Can the gentleman conceive of how this proposal to destroy weeds by poisonous gas or otherwise has any connection with national defense or the regulation of interstate commerce?

Mr. BUCHANAN. No.

Mr. McSWAIN. Nor can I.

Mr. BUCHANAN. And I cannot see how it has any connection with navigation, flood control, or the national defense under the Tennessee Valley Authority, and those are the main purposes of its organization.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. RANKIN. If the gentleman will permit, I will tell him why this is in this bill.

Mr. BUCHANAN. It ought not to be in the bill.

Mr. RANKIN. Possibly not, but we have appealed for relief from the condition in that area of the United States and the Department of Agriculture has failed to give us relief. I refer to what is called "the bitterweed." It grows up and covers that country and it is costing millions of dollars every year by ruining milk and butter.

Mr. BUCHANAN. And we have spent a lot of money to exterminate it. I know about the bitterweed.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the time of the gentleman be extended for 5 minutes.

Mr. RANKIN. Mr. Chairman, will the gentleman yield further?

Mr. BUCHANAN. I shall answer the question. I am familiar with the bitterweed. It kills some character of livestock. We had it in Texas, and we appealed to the Bureau of Animal Industry. They had the money. The Bureau of Animal Industry made surveys and they filed a report and the fact of the business is that livestock will not eat this bitterweed unless feed is scarce. Sheep and cows were killed by the thousands, it was proved, solely because the rangemen overstocked their range.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. RANKIN. This bitterweed does not kill cattle. That is a dairying country, and those farmers have been advised by the Department of Agriculture to diversify, and they are diversifying. That is a wonderful dairying country, yet this bitterweed grows up at a certain season of the year and ruins the milk and the butter so that the people not only cannot sell it, but cannot use it, and it is costing millions of dollars a year. I hope the gentleman will not insist upon his amendment.

Mr. BUCHANAN. I insist upon my amendment. It is a matter for the Agricultural Department, the land-grant colleges, and the experimental stations in every State. We appropriate millions of dollars for that purpose, and why build up a duplicate agency under the Tennessee Valley Authority, none of whom are experts on noxious weeds? [Applause.]

Mr. McLAUGHLIN. Mr. Chairman, I am opposed to the amendment. I had no idea that there would be any attempt made to strike out that portion of the bill which is sought to be stricken out by the amendment of our colleague, Mr. BUCHANAN. I may say to you that the matter of weeds and

the extermination of weeds is a matter of great concern to the section of the country which I represent, the State of Nebraska. We have had a great deal of difficulty in our State with noxious weeds, especially the bindweed. We find that a certain chemical, sodium chlorate, is the only chemical which will successfully cope with those weeds. I may say that the matter of weeds is of such importance to the farmers of the State of Nebraska that when a piece of land is infested with these weeds it is impossible for the owner of the land to procure a loan from any governmental loan agencies or private loan agencies.

Mr. McSWAIN. Will the gentleman yield?

Mr. McLAUGHLIN. I yield.

Mr. McSWAIN. I wish to ask the gentleman if in his State the farmers are bothered with hog cholera or chicken cholera or distemper in horses or anything like that, and if he thinks an amendment to that effect would give the Tennessee Valley Authority the right to go over there and help with those diseases?

Mr. McLAUGHLIN. That is not before us. I am speaking about a matter that is before us. I am speaking of the matter of permitting the Tennessee Valley Authority to establish a clinic, you might say, for the use or development of a chemical which will eradicate this bindweed pest in the middle western sections of the country. If you are going to spend money to generate cheap electricity for those people living in the vicinity of the Tennessee Valley and also spend money for experimenting in the raising of cattle and poultry, as has been stated here on the floor of the House, then I see no valid reason for supporting this amendment which would have the effect of prohibiting experimentation in the production of a chemical, as provided by the bill, to eradicate weed pests which are so destructive of farm lands in the Middle West.

Mr. SNELL. Will the gentleman yield?

Mr. McLAUGHLIN. In just a moment. The cost of the chemical which is the only salvation for the farmers of our section of the country, at the present time, is so great that it is practically impossible for the farmers to purchase it, and their land is going to ruin because of the tremendous spread of those weeds. They can be destroyed by the very chemical which can be developed cheaply in the Tennessee Valley if this amendment is not agreed to.

Mr. MICHENER. Will the gentleman yield?

Mr. McLAUGHLIN. I yield.

Mr. MICHENER. As a matter of fact, the Tennessee Valley Authority as administered covers about everything, and there is not any reason why it should not cover the destruction of weeds, hog cholera, and everything else. If this is to be an experimental field, a laboratory to experiment for the betterment of mankind, and weeds are injurious to crops throughout the country, why should we not experiment on weeds down there?

Mr. McLAUGHLIN. I am speaking about the development of this chemical.

Mr. MICHENER. The gentleman from Nebraska is one of the outstanding members of this body. He is always looking out for his constituents and I do not blame him for wanting to include in this bill something for Nebraska. His logic is usually sound and his reasoning is always convincing.

Mr. McLAUGHLIN. This is one chemical that can be used successfully to eradicate this weed pest, and it can be manufactured cheaply in the Muscle Shoals factory.

Mr. MICHENER. But they have not yet determined that they can manufacture this chemical.

Mr. McLAUGHLIN. That is the thing which we are asking shall be developed, under this law.

Mr. MICHENER. In other words, you want them to experiment to see whether they can develop a chemical that will satisfactorily kill this weed?

Mr. McLAUGHLIN. The gentleman is a little facetious, of course, but I am pleading for the farmers of the Middle West, whose land is being destroyed and who are seeking relief. I say to you if you were a farmer and went out into a field and saw acre after acre laid waste by these weeds

you would not take kindly to facetious remarks on the part of Members of Congress.

I ask that this amendment be voted down. [Applause.]

Mr. HOUSTON. Will the gentleman yield?

Mr. McLAUGHLIN. I yield.

Mr. HOUSTON. Is it not a fact that the bindweed in Kansas, Nebraska, and Oklahoma is worse this year than it ever has been, and the Department of Agriculture has not done a thing about it?

Mr. McLAUGHLIN. I can say that a meeting of people interested in this matter was called in Washington and dozens of representatives from all sections of the country came to Washington at their own expense, representatives of agricultural colleges, representatives of farm organizations, and representatives of those who are in distress, seeking this relief, and this is the very thing which they want. They want to develop this chemical at a cheap cost, so that it can be used to protect their lands against the ravages of the destructive bind weed. It is impossible now on account of the expense.

The CHAIRMAN. The time of the gentleman from Nebraska [Mr. McLAUGHLIN] has expired.

Mr. McLEAN. Mr. Chairman, I move to strike out the last word.

I desire to call to the attention of the gentleman from Texas [Mr. BUCHANAN], Chairman of the Committee on Appropriations, to his letter in connection with this matter to the Committee on Military Affairs, while this bill was under consideration, in which letter he says:

As this subject matter was recently in conference between the two Houses on the agricultural appropriation bill and settled, as I thought, very sensibly and satisfactorily by making available for this very purpose a total of \$65,000, a part of which was to be expended in cooperation or consultation with the Tennessee Valley Authority. I would appreciate the opportunity of discussing the matter with you before action is taken by you on your bill.

I thought the gentleman had overlooked the fact that the Agriculture Department appropriation bill makes an appropriation of \$65,000 for this very purpose.

Mr. BUCHANAN. It certainly does.

Mr. BLANTON. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I am in favor of the amendment offered by the gentleman from Texas [Mr. BUCHANAN], Chairman of the Committee on Appropriations. This proposal certainly is a duplication of Government effort and of expense and ought to be stopped.

I want to recommend to the gentleman from Nebraska and to his farmers out there that they do like some of our stockmen have done down in the State of Texas. When this bitterweed developed on a certain ranch in Shackelford County, owned by J. A. Matthews, of Albany, Tex., he appealed to the Department of Agriculture to determine for him and his neighbors the particular weed that was poisoning and killing their livestock. They sent an expert down there and definitely designated the bitter weed that was doing the injury. That stockman wisely employed a bunch of helpers and got out there and did not stop until he had destroyed every poisonous weed of that variety on his ranch.

It just takes a little effort, a little work, a little perseverance, a little energy to accomplish these things. He did not ask the Government to destroy the weeds. He destroyed them.

People ought to quit calling on the Government of the United States for everything that they can do for themselves. [Applause.] This duplication of Government effort and expense ought to stop. There ought to be a limit to it somewhere.

The responsibility of this Congress, so far as the House of Representatives is concerned, for protecting the Treasury, rests largely upon the shoulders of my distinguished colleague the Chairman of the Committee on Appropriations [Mr. BUCHANAN]. He is responsible for the money that comes out of the Treasury. He is responsible, in a way, to the taxpayers of this Nation as to whether their money is going to be spent injudiciously and wastefully, and to protect

the people he has offered an amendment that ought to be adopted.

Take KLEBERG's country. If there should be any menace arising from bitterweed they would not call on the Government of the United States to destroy the weeds, they would put their hands out there and do the destroying themselves; and that is what ought to be done in Nebraska. They ought to use a little personal effort out there, they ought to get out there and destroy this bitterweed by the use of a little energy, efficiency, and perseverance.

Mr. McLAUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. McLAUGHLIN. I think the gentleman from Texas should realize that the use of this chemical does not mean that the farmers will not work, but that they will accomplish the work more quickly and efficiently with this chemical. [Applause.]

Mr. BLANTON. The trouble with that is that they are depending too much on Washington. They ought not to have their eyes on Washington; they ought to do like the gentleman and I did when we were boys—depend on ourselves and not on Washington for everything we needed. [Applause.]

By unanimous consent, the pro forma amendment was withdrawn.

Mr. McSWAIN. Mr. Chairman, I move that all debate on this section and all amendments thereto do close in 3 minutes.

The motion was agreed to.

Mr. LUCKEY. Mr. Chairman, I want to make an explanation in regard to the bindweed which, in the Western States, has become a calamity. Cultivation will not kill it. The only thing that will kill it is a sodium chlorate which can be manufactured only at such plants as Muscle Shoals. We have made a study of the sources of this chemical. To import this chemical from Europe would cost the farmers of this country about 9 cents a pound. In Scandinavia, where they have plants similar to Muscle Shoals, this chemical is manufactured for 1½ cents a pound. If our farmers could buy this chemical for 1½ cents a pound, such as they could were it manufactured at a plant like Muscle Shoals, manufactured as a byproduct, it would not only help liquidate the cost of the investment at the plant but it would also help all the central section of the country, the Middle West, Nebraska, Kansas, Iowa, Minnesota, Wisconsin, and the Dakotas to destroy this weed at a very small cost.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. LUCKEY. I yield.

Mr. BUCHANAN. As a matter of fact, the deficiency bill carries an appropriation for the Agricultural Department and authorization to them to make an allotment to the Tennessee Valley Authority for the purpose of experimenting with the manufacture of this chemical. So everything is fixed to permit the Tennessee Valley Authority to make this experiment with money already appropriated.

Mr. LUCKEY. May I say in reply to the gentleman from Texas that we have corresponded with the Tennessee Valley Authority, and they stated they did not feel that the manufacturers of sodium chlorate, as such, by the Corporation was not permissible under the present act, and that they could not do so unless they were specifically authorized to manufacture the chemical.

Mr. McSWAIN. Mr. Chairman, will the gentleman yield?

Mr. LUCKEY. I yield.

Mr. McSWAIN. Will the gentleman state what reason or logic there is to hitch onto a bill regulating commerce and national defense pet hobbies with reference to weeds, chickens, hogs, cows, corn borers, and everything else?

Mr. LUCKEY. This is not a pet hobby. This chemical can be manufactured by the Tennessee Valley Authority without additional expense, manufactured as a byproduct the sale of which will help bear the cost of the project.

Mr. McSWAIN. Does the gentleman expect us to go out there and put it on the weeds?

Mr. LUCKEY. No; all we are asking for is a cheap source of supply at a cent and a half or two cents a pound, such as they have over in Europe.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. DONDERO) there were—ayes 111, noes 73.

Mr. McLAUGHLIN, Mr. WOOD, and Mr. CARPENTER demanded tellers.

Tellers were ordered, and the Chair appointed Mr. McLAUGHLIN and Mr. BUCHANAN to act as tellers.

The Committee again divided; and the tellers reported there were—yeas 173, noes 75.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 5. That said act be, and the same is hereby, further amended by adding a new section after section 9 of said act, as follows:

"SEC. 9. (a) The Board is hereby directed in the operation of any dam or reservoir in its possession and control to regulate the stream flow primarily for the purposes of promoting navigation and controlling floods. So far as may be consistent with such purposes, the Board is authorized to provide and operate facilities for the generation of electric energy at any such dam for the use of the Corporation and for the use of the United States or any agency thereof, and the Board is further authorized, whenever an opportunity is afforded, to provide and operate facilities for the generation of electric energy in order to avoid the waste of water power, to transmit and market such power as in this act provided, and thereby, so far as may be practicable, to assist in liquidating the cost or aid in the maintenance of the projects of the Authority."

Mr. McSWAIN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DRIVER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill (H. R. 8632) to amend an act entitled "An act to improve the navigability and provide for the flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama; and for other purposes", approved May 18, 1933, and had come to no resolution thereon.

EDWARD T. TAYLOR

The SPEAKER. Several days ago the Chair received a letter from the majority leader, the gentleman from Alabama, Mr. BANKHEAD, which he asked be laid before the Members of the House. Without objection, the Chair will ask the Clerk to read the letter.

The Clerk read as follows:

JASPER, ALA., June 25, 1935.

HON. JOSEPH W. BYRNS,

House of Representatives, Washington, D. C.

MY DEAR MR. SPEAKER: I have just read in the CONGRESSIONAL RECORD the remarks made in the House by many Members, upon the seventy-seventh birthday of Hon. EDWARD T. TAYLOR, our able and distinguished acting majority leader. It is a matter of keen personal regret that I was not present to hear the just and most deserved praise bestowed upon my beloved friend upon that occasion. I wish with all my heart that I could have had the privilege of joining my colleagues in a tribute of appraisal as well as of affection for this distinguished son of Colorado.

I have served with him in Congress for nearly 20 years, and I know the man. I know his mind; I know his heart; I know his fine probity of thought and action; his sense of balance and proportion, his high qualities of justice and patriotism. This knowledge prompted me to request that he act in my place as majority leader during my unfortunate illness. I am grateful to him beyond measure for bearing my burdens during this session of Congress.

I am assured that these added responsibilities have served to enhance the respect and affection in which he is held by all Members

of the House. I extend my belated congratulations to EDWARD TAYLOR upon his birthday and to the country for his long, consecrated, and invaluable services.

With sincere personal regards.
Sincerely your friend,

WILLIAM B. BANKHEAD.

PRIVILEGES OF THE HOUSE

Mr. BLANTON. Mr. Speaker, I have a matter of correcting a false report that should require not more than a few minutes. For the purpose of getting it immediately before the House, I rise to a question of the privileges of the House and present a privileged resolution.

The Clerk read the resolution, as follows:

Resolution

Whereas all over the United States the press has erroneously asserted that in a brusque, uncalled-for manner the Doorkeeper of the House of Representatives forced a mother and child to leave the House gallery because she was nursing her baby, and inferentially censuring the House of Representatives for not allowing a mother to nurse her baby in the House gallery; and

Whereas such erroneous assertion and report are shown to be untrue and wholly without foundation by the following statement from the Doorkeeper of the House, to wit:

WASHINGTON, D. C., July 9, 1935.

HON. THOMAS L. BLANTON,

House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: Replying to your inquiry concerning the incident of a woman nursing her child in the House gallery, I submit herewith an accurate statement of the affair.

On the morning of June 27 at 11 o'clock as the Chaplain began to offer the prayer, my attention was attracted to the gallery. I saw a man and woman with several children sitting in the front row of the north gallery almost opposite the Speaker's rostrum, and the woman was nursing a baby in her arms. About 10 minutes later I again heard the noise of the child, and the mother continued to nurse the baby. It was quite evident that the only way the mother could keep the baby quiet was by nursing, because within the next three-quarters of the hour she had to nurse the child several times more.

As the mother was looking distressed because the baby continued to be restless and noisy and was attracting the attention of many persons, I made a kindly suggestion to the husband that if his wife wished to nurse the baby again there was a ladies' rest room nearby where she could go and be comfortable. I thought only of being of service to the distressed mother. The husband said, 'We will go out', and I patted him on the shoulder several times and assured him that they could stay in the gallery as long as they wished to do so. I did not request the woman to leave. I did not even speak to her, as she was sitting three seats away from her husband. I did try to be of some assistance to her.

Mothers have nursed babies in the gallery before this incident and they have never been interfered with. They are welcome at all times.

Respectfully yours,

J. J. SINNOTT,

Doorkeeper House of Representatives.

And whereas the erroneous report published in every portion of the United States to the effect that the House of Representatives was inconsiderate and cruel enough to force an American mother out of its gallery simply because she saw fit to nurse her baby in arms, is a reflection upon the House of Representatives, and affects its safety and dignity and the integrity of its proceedings, the facts being that during its entire history no American mother as a visitor to the House gallery has ever been shown anything but the very highest respect and consideration for her comfort and convenience: Therefore be it

Resolved, That said report emanating from Washington and published generally in the United States was incorrect and without warrant.

Mr. RANKIN (interrupting the reading of the resolution). Mr. Speaker, I make the point of order that enough of the resolution has been read to show that it is not privileged.

Mr. BLANTON. It should be privileged when the House of Representatives has been charged with having shown disrespect and an inexcusable indignity to an American mother.

Mr. RANKIN. Mr. Speaker, it does not reflect on the dignity of the proceedings of the House at all.

The SPEAKER. The Clerk will finish the reading of the resolution. The Chair cannot pass on the matter until the reading of the resolution has been concluded, and since the gentleman from Texas [Mr. BLANTON] insists that the resolution is privileged it should be read.

The Clerk resumed the reading of the resolution.

Mr. MICHENER (interrupting the reading of the resolution). Mr. Speaker, I make the point of order that the resolution has been read far enough to convince anyone that it is not privileged.

Mr. BLANTON. Mr. Speaker, I submit that the resolution will show, when read in its entirety, that it is privileged, as the House of Representatives has been falsely charged with having shown discourtesy, disrespect, and indignity to a deserving American mother.

The SPEAKER. The Chair suggests that the gentleman from Texas ask unanimous consent that the resolution be read. The Chair does not think the resolution is privileged.

Mr. BLANTON. Mr. Speaker, this erroneous statement has gone into every newspaper in the United States and has placed the House of Representatives in a false light before the country.

The SPEAKER. The Chair does not think that the gentleman from Texas will have the slightest difficulty if he will ask unanimous consent for the reading of the resolution.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that the Clerk may finish the reading of the resolution.

The SPEAKER. The Chair does not think the resolution is privileged.

Without objection, the Clerk will complete the reading of the resolution.

There was no objection.

Mr. BLANTON. Mr. Speaker, since I have permission to extend my remarks, I want to show why I deemed it necessary to correct this false report. Criticism after criticism of Congress have appeared in the press of Washington and the 43 States, denouncing the House of Representatives for ejecting from its gallery a worthy American mother, when no mother was ejected, and when in fact no mother was molested in any way, and when every mother in the United States has an inherent right to visit the gallery of the House of Representatives at will, and to nurse her baby there whenever she sees fit.

It is no disgrace for an American mother to nurse her baby in the gallery of the House of Representatives. Nursing her baby there, whenever she sees fit to do so, does not in any way disturb the dignity of the House of Representatives. Many mothers are unable financially to hire nurses to care for their babies. Some of the greatest men and women of the United States have been raised by such mothers. If a mother were not allowed to bring her baby with her, many mothers would be denied the privilege of visiting their Capitol and of visiting their House of Representatives, and for 150 years they have been welcome in its gallery.

To show the necessity for correcting this erroneous report, there appears on page 11 of this afternoon's Washington Times, July 8, 1935, the following letter:

FEEDING BABY NOT UNDIGNIFIED

To the EDITOR OF THE TIMES:

Congress should be ashamed of itself to allow any mother with a hungry baby to be ordered out of the Capitol because she fed it. I don't see that she did anything very undignified. The baby was hungry and had to be fed.

If Mrs. Parker had been the daughter or wife of a Senator, the Members of Congress would not have crushed her heart, as they did by ordering her out of the Capitol.

All the Senators had mothers. I wonder how they would feel to have their mothers or wives put out of a public place.

Mrs. Parker's child is as dear to her as a king's child is to him. I believe that the whole city has been disgraced by the action of Congress.

M. D.

Mr. Speaker, it would have been a disgrace to Washington and a disgrace to the House of Representatives if it had ejected an American mother from its gallery for nursing her baby, and it is a disgrace to the House of Representatives to allow a false report to that effect to be broadcasted all over the United States without being corrected. Such a false report does affect the integrity of this House. Such a false report does affect the dignity of its proceedings.

I cannot believe there is any Member of this House who is indifferent to the natural effect of such a false charge on the public mind. I cannot believe that there is any Member of this House who would be willing for such a false report to go unchallenged. I feel that I am protecting the good name of this House of Representatives by procuring this statement from our Doorkeeper, Hon. Joseph J. Sinnot, showing that there is no truth in this erroneous report.

It is my firm belief that to every right-thinking American, a mother nursing her baby at her breast typifies the highest, the finest, the noblest instincts there are in Nature. One great cause for the crumbling of our civilization is the failure of many children to receive the personal care of their mothers and the good training that only mothers can give their young children through personal care and constant companionship.

As one Member of this House of Representatives, I want it to go out to the mothers of America that they are welcome guests in the gallery of the House of Representatives. If to visit there it is necessary for them to nurse their baby, they have the God-given inherent right to do so, and they will suffer no indignity from anyone. The Capitol of the United States is their Capitol. The Representatives in the Congress of the United States are their Representatives, here to serve them, and to protect them in every right and privilege. They will receive only courteous and respectful treatment from the officers and employees of the House of Representatives.

The Clerk concluded the reading of the resolution.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution just read.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. TABER. Mr. Speaker, I object.

EXTENSION OF REMARKS

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent that all Members of the House may have from now until the close of the session on Friday, July 12, in which to extend their own remarks in the RECORD upon the pending bill (H. R. 8632).

Mr. RANKIN. Mr. Speaker, that will only give the Members 1 day following the consideration of the bill. If we are going to grant permission to the Members to extend their remarks, we ought to give them 5 days and I ask unanimous consent that the Members may have 5 legislative days after the conclusion of the consideration of the bill within which to extend their remarks in the RECORD.

Mr. McSWAIN. That is agreeable to me.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina, as amended, that all Members may have 5 legislative days following the consideration of the pending bill within which to extend their own remarks in the RECORD?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. BUCKLER of Minnesota. Mr. Speaker, I ask unanimous consent that on tomorrow morning, after the reading of the Journal, I may address the House for 5 minutes about the farmer's wife being driven out of the gallery of the House.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

Mr. HOBBS. I object, Mr. Speaker.

CALENDAR WEDNESDAY

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that business in order on tomorrow, Calendar Wednesday, be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. KIMBALL (at the request of Mr. MAPES), indefinitely, on account of illness.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 39 minutes p. m.) the House adjourned until tomorrow, Wednesday, July 10, 1935, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

408. A letter from the Secretary of War, transmitting draft of a proposed bill to fix the compensation of travel distances; to the Committee on Military Affairs.

409. A letter from the Chairman of the Federal Power Commission, transmitting three copies of the domestic and residential electric-energy rates in the State of North Dakota on January 1, 1935; to the Committee on Interstate and Foreign Commerce.

410. A letter from the Vice Chairman of the Federal Power Commission, transmitting three copies of the domestic and residential electric-energy rates in the State of South Carolina on January 1, 1935; to the Committee on Interstate and Foreign Commerce.

411. A letter from the Vice Chairman of the Federal Power Commission transmitting three copies of the domestic and residential electric-energy rates in the State of Vermont on January 1, 1935; to the Committee on Interstate and Foreign Commerce.

412. A letter from the Vice Chairman of the Federal Power Commission, transmitting three copies of the domestic and residential electric energy rates in the State of Idaho on January 1, 1935; to the Committee on Interstate and Foreign Commerce.

413. A letter from the Vice Chairman of the Federal Power Commission, transmitting three copies of the domestic and residential electric energy rates in the State of Washington on January 1, 1935; to the Committee on Interstate and Foreign Commerce.

414. A letter from the Secretary of the Navy, transmitting draft of a proposed bill for the relief of Capt. J. H. Merriam, Supply Corps, United States Navy; to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. STARNES: Committee on Accounts. House Resolution 265. Resolution authorizing an appropriation for special expenses of the Committee on Patents; with amendment (Rept. No. 1439). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. McSWAIN (by request): A bill (H. R. 8784) to authorize the Secretary of War or the Secretary of the Navy to withhold the pay of officers, warrant officers, enlisted men, and nurses of the Army, Navy, or Marine Corps to cover indebtedness to the United States under certain conditions; to the Committee on Military Affairs.

By Mr. MOTT: A bill (H. R. 8785) to authorize an extension of exchange authority and addition of public lands to the Willamette National Forest in the State of Oregon; to the Committee on the Public Lands.

Also, a bill (H. R. 8786) relating to the Oregon-Washington Board of Trustees; to the Committee on Interstate and Foreign Commerce.

By Mr. ROGERS of Oklahoma (by departmental request): A bill (H. R. 8787) to amend section 3 of the act approved May 10, 1928, entitled "An act to extend the period of restriction in lands of certain members of the Five Civilized Tribes, and for other purposes", as amended February 14, 1931; to the Committee on Indian Affairs.

By Mr. McREYNOLDS: A bill (H. R. 8788) to control the trade in arms, ammunition, and implements of war; to the Committee on Foreign Affairs.

By Mr. COLMER: A bill (H. R. 8789) to provide for an appropriation of \$100,000 with which to make a survey of the General Jackson Military Road with a view of con-

structing a military road from Nashville, Tenn., to New Orleans, La.; to the Committee on Military Affairs.

By Mr. ASHBROOK: A bill (H. R. 8790) to amend section 6 of the act of February 28, 1925; to the Committee on the Post Office and Post Roads.

By Mr. MAHON: A bill (H. R. 8791) to amend section 108 of the Judicial Code to provide for a new division of the northern district of Texas; to the Committee on the Judiciary.

By Mr. HOOK: Resolution (H. Res. 290) requesting the President of the United States to direct the Administrator of the Federal Emergency Relief Administration to transmit certain information to the House of Representatives; to the Committee on Ways and Means.

By Mr. RAMSPECK: Resolution (H. Res. 291) for consideration of H. R. 8458; to the Committee on Rules.

Also, resolution (H. Res. 292) for the consideration of H. R. 8459; to the Committee on Rules.

By Mr. HAINES: Joint resolution (H. J. Res. 343) making an appropriation of \$5,000 as a contribution of the United States to the expenses of the encampment of the Grand Army of the Republic and United Confederate Veterans on the seventy-fifth anniversary of the Battle of Gettysburg in 1938; to the Committee on Appropriations.

By Mr. MAAS: Joint resolution (H. J. Res. 344) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 8792) granting an increase of pension to Viola S. Whitten; to the Committee on Invalid Pensions.

By Mr. BLOOM: A bill (H. R. 8793) to provide for the bestowal of the Congressional Medal of Honor upon Louis S. Waldman; to the Committee on Military Affairs.

By Mr. BURNHAM: A bill (H. R. 8794) granting a pension to Rosetta Laws; to the Committee on Invalid Pensions.

By Mr. COLE of New York: A bill (H. R. 8795) granting an increase of pension to Emma J. Campbell; to the Committee on Pensions.

By Mr. GWYNNE: A bill (H. R. 8796) for the relief of Fred W. Trefgar; to the Committee on Military Affairs.

By Mr. HANCOCK of New York: A bill (H. R. 8797) to provide a preliminary examination of Onondaga Creek in Onondaga County, State of New York, with a view to the control of its floods; to the Committee on Flood Control.

By Mr. LARRABEE: A bill (H. R. 8798) granting a pension to David H. Lambert; to the Committee on Pensions.

By Mr. PETTENGILL: A bill (H. R. 8799) for the relief of John N. Hunter, postmaster at South Bend, Ind.; Edmund D. Cook, acting postmaster at Allegan, Mich.; Fred C. Putman, postmaster at Kalamazoo, Mich.; and Merchants National Bank of South Bend, South Bend, Ind.; to the Committee on Claims.

By Mr. TAYLOR of Tennessee: A bill (H. R. 8800) granting a pension to Vada Cross; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8801) for the relief of Mrs. Avery McDaniel; to the Committee on Claims.

By Mr. THOMPSON: A bill (H. R. 8802) granting a pension to Sarah Gardner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8803) granting a pension to Minnie F. Claspill; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9107. By Mr. DARROW: Resolution of the Philadelphia Board of Trade, protesting against imposing excessive taxes on inheritances and corporation net incomes; to the Committee on Ways and Means.

9108. By Mr. KRAMER: Resolution of the Senate and Assembly of the State of California, relative to extending an invitation to the peoples of the world to participate in the Pacific Exposition; to the Committee on Foreign Affairs.

9109. Also, resolution of the California oil producers' mass meeting, passed on June 7, 1935, relative to the continuance of Federal sales taxes on gasoline and lubricating oils, etc.; to the Committee on Ways and Means.

9110. By Mr. RAMSPECK: Petition of R. E. Hodgson and numerous other citizens of the Fifth Congressional District of Georgia, requesting the repeal of the Federal gasoline tax; to the Committee on Ways and Means.

9111. By Mr. TRUAX: Petition of the employees of the Ohio Match Co., of Wadsworth, Ohio, and citizens of the State of Ohio, requesting the prevention of any further influx of foreign matches into the markets of the United States; to the Committee on Ways and Means.

9112. Also, petition of the United Brotherhood of Carpenters and Joiners of America, Local Union No. 29, by its recording secretary, L. W. Cole, Cincinnati, Ohio, asking support of the security bill, the Wagner-Connery labor-disputes bill, and the Guffey coal bill; to the Committee on Labor.

9113. Also, petition of the Brotherhood of Maintenance of Way, Lodge 1900, by the secretary-treasurer, Noah Carpenter, Marion, Ohio, soliciting support of House bills 8651 and 8652, concerning labor and labor conditions and relating to railroad retirement; to the Committee on Labor.

9114. Also, petition of the Buckeye Club, by its president, Frank J. Klady, Lorain, Ohio, favoring all legislation so amending our immigration laws that it may be provided that all aliens who have not and who in the future will not at the earliest time permissible by law make application for citizenship and similarly pursue such efforts shall on such failure or on rejection become immediately deportable; to the Committee on Immigration and Naturalization.

9115. Also, petition of the National Association of Letter Carriers, Branch No. 100, by their secretary, V. M. Hoeffel, urging support of House bills 5450, 6124, 6368, and 6672, which support a graduated tax on cigarettes; to the Committee on Ways and Means.

9116. By the SPEAKER: Petition of the Board of Commissioners of the City of San Juan, P. R.; to the Committee on the Public Lands.

SENATE

WEDNESDAY, JULY 10, 1935

(Legislative day of Monday, May 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On motion of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, July 9, 1935, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed without amendment the bill (S. 2966) to empower the Legislature of the Territory of Hawaii to authorize the issuance of revenue bonds, to authorize the city and county of Honolulu to issue flood-control bonds, and for other purposes.

The message also announced that the House had passed a bill (H. R. 8270) to enable the Legislature of the Territory of Hawaii to authorize the issuance of certain bonds, and for other purposes, in which it requested the concurrence of the Senate.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.
The VICE PRESIDENT. The clerk will call the roll.